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FOOD STAMP PLAN

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HEARINGS

BEFORE THE

COMMITTEE ON AGRICULTURE

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH CONGRESS

FIRST SESSION

ON

H.R. 5733

JUNE 10, 11, AND 12, 1963

Serial O

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WASHINGTON : 1963

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FOOD STAMP PLAN

MONDAY, JUNE 10, 1963

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 1310, Longworth House Office Building, Washington, D.C., Hon. Harold D. Cooley (chairman) presiding.

Present: Representatives Cooley (chairman), Poage, Grant, Gathings, Jones of Missouri, Hagen of California, Johnson of Wisconsin, Matthews, Stubblefield, Harding, Hagan of Georgia, Purcell, Duncan, Leggett, Hoeven, Belcher, McIntire, Teague of California, Latta, Findley, Beermann, and Hutchinson.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John J. Heimburger, counsel; Robert Bruce, assistant counsel; and Francis LeMay, consultant.

The CHAIRMAN. The committee will please be in order. We are honored this morning to have with us the distinguished Secretary of Agriculture, Mr. Freeman. Mr. Secretary, we are happy that you found time in a busy schedule to be with us this morning. You may proceed.

(H.R. 5733, together with the report of the Department dated April 17, 1963 follows:)

[H.R. 5733, 88th Cong., 1st sess.]

A BILL To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a program of food assistance to be operated through normal channels of trade; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Food Stamp Act of 1963".

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households in economic need to receive a greater share of the Nation's food abundance, is herein authorized.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "food" means any food or food product for human consumption other than alcoholic beverages and tobacco.

(c) The term "coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this Act.

(d) The term "coupon allotment" means the total value of coupons to be issued to a household during each month or other time period.

(e) The term "household" shall mean a group of related or nonrelated individuals, who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term "household" shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

(f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

(g) The term "wholesale food concern" means an establishment which sells food to retail food stores for resale to households.

(h) The term "State agency" means the agency of the State government which has responsibility for the administration of the federally aided public assistance programs.

(i) The term "bank" means member or nonmember banks of the Federal Reserve System.

(j) The term "State" means the fifty States and the District of Columbia.

(k) The term "food stamp program" means any program promulgated pursuant to the provisions of this Act.

ESTABLISHMENT OF THE FOOD STAMP PROGRAM

SEC. 4. (a) The Secretary shall formulate and administer a food stamp program under which eligible households shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than their normal expenditures for food as determined by the Secretary. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

(b) The Secretary shall, from time to time, issue such regulations, not inconsistent with this Act, as he deems necessary or appropriate for the effective and efficient administration of the food stamp program.

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

ISSUANCE AND USE OF COUPONS

SEC. 6. (a) The Secretary shall cause coupons to be printed in such denominations as he may determine, and shall make provision for their issuance only to households which have been duly certified as eligible to participate in the food stamp program.

(b) Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program.

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 7. (a) The face value of the coupon allotment which the Secretary shall authorize State agencies to issue to households certified as eligible to participate

in the food stamp program shall be in such amount as will provide such households with an opportunity more nearly to obtain a nutritionally adequate diet.

(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as the Secretary determines is equivalent to their normal expenditures for food.

(c) The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any purpose under any Federal or State laws including but not limited to, laws relating to taxation, welfare, and public assistance programs.

(d) Funds derived from the charges made for the coupon allotment shall be promptly deposited in a manner prescribed by the Secretary in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 8. (a) The Secretary shall provide in the regulations issued pursuant to this Act for the submission of applications for approval by retail food stores and wholesale food concerns which desire to participate in the food stamp program and shall approve those applicants whose participation he determines will effectuate the purposes of the food stamp program. In determining the qualifications of applicants the Secretary shall consider, among such other factors as he may deem appropriate, the following: (1) the nature and extent of the retail or wholesale food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant retail food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval.

(b) The Secretary shall in the regulations issued pursuant to this Act, require an applicant retail food store or wholesale food concern to submit information which will enable him to determine whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. The Secretary shall provide in the regulations issued pursuant to this Act for safeguards which restrict the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(c) Any retail food store or wholesale food concern which has failed upon application to receive the approval of the Secretary to participate in the food stamp program may obtain a hearing on such refusal as provided in section 13 of this Act.

REDEMPTION OF COUPONS

SEC. 9. In the regulations issued pursuant to this Act, the Secretary shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department.

ADMINISTRATION

SEC. 10. (a) In the formulation and administration of the food stamp program, the Secretary is authorized to enlist the cooperation of existing Federal, State, local, or private agencies and may utilize such agencies in the undertaking of an educational program to encourage the purchase of foods available in abundant supply or those most needed in diets, and to improve nutritional knowledge of households participating in the program.

(b) The Secretary may exercise any power, duty, or discretion vested in him under this Act through such person or persons as he may designate.

(c) The State agency of each participating State shall assume responsibility for the certification of the applicant households and for the issuance of coupons: *Provided*, That the State agency may, subject to approval by the Secretary, delegate its responsibility in connection with the issuance of coupons to another agency of the State government. There shall be kept such records as the Secretary may determine are necessary for him to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regula-

tions issued pursuant to this Act. Such records shall be available for inspection and audit by the Secretary at any reasonable time and shall be preserved for such period of time, not in excess of three years, as the Secretary determines is necessary or appropriate.

(d) In the administration of the food stamp program the State agency shall not discriminate against any household by reason of race, religious creed, national origin, or political beliefs.

(e) Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provisions of this Act or the regulations issued pursuant to this Act.

(f) The State agency of each State desiring to participate in the food stamp program shall submit for the approval of the Secretary a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as the Secretary may by regulation require, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; and (4) for the submission of such reports and other information as the Secretary may from time to time require.

(g) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, the Secretary shall inform such State agency of such failure and shall allow the State agency a reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary may require that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as corrective action satisfactory to the Secretary has been taken.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 11. Any approved retail food store or wholesale food concern may be disqualified from further participation in the food stamp program, on a finding by the Secretary that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as the Secretary may determine. The action of disqualification shall be subject to review as provided in section 13 of this Act: *Provided*, That, notwithstanding any of the other provisions of this section or of section 13 of this Act, if the Secretary has reason to believe that a serious or flagrant violation of this Act or of the regulations issued pursuant to this Act, has occurred or that there are facts or circumstances of a nature which indicate a lack of ability or willingness on the part of such store or concern to carry out properly the provisions of the program, he may suspend such store or concern without advance notice or hearing for such period, not in excess of 90 days, as may be required to complete an investigation and take such administrative action as may be found appropriate by the Secretary. Such suspension action shall not constitute a final determination for the purpose of section 13 of this Act.

DETERMINATION AND DISPOSITION OF CLAIMS

SEC. 12. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 13. Whenever the Secretary (a) determines that a retail food store or a wholesale food concern should not be approved to participate in the food stamp program, (b) disqualifies a retail food store or a wholesale food concern under the provisions of section 11 of this Act, or (c) directs the denial, under the provisions of section 12 of this Act, of all or part of any claim of a retail food store or wholesale food concern, he shall cause notice of such administrative action to be issued to the retail food store or wholesale food concern involved. Such notice shall be delivered by certified mail or personal service. If such store or concern is aggrieved by the action of the Secretary, it may, in accordance with regulations promulgated by the Secretary within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the Secretary may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination of the Secretary shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available to the Secretary, shall be reviewed by the person or persons designated by the Secretary, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final. If the store or concern feels aggrieved by such final determination of the person or persons designated by the Secretary he may obtain judicial review thereof, without regard to the amount in controversy, by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination. Service of process in such action shall be made in accordance with the rules of the service of process upon the United States as prescribed by the Rules of Civil Procedure for the United States District Courts. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as he may designate to receive service of process. The action in the United States district court shall be a trial de novo by the court without a jury, in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless an application to the court on not less than ten days notice, and after hearing thereon and a showing of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

VIOLATIONS AND ENFORCEMENT

SEC. 14. (a) Notwithstanding any other provisions of this Act, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(b) In addition to the jurisdiction vested in the United States district courts by section 13 of this Act, such courts are hereby severally vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or the regulations issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several United States attorneys in their respective districts, acting under the direction of the Attorney General, to institute proceedings to enforce the remedies provided for in this Act or the regulations issued pursuant to this Act, to represent the United States in any action for judicial review of any final administrative determination made under the provisions of section 13 of this Act, or to effect collection of any claims or indebtedness determined to be due the United States by the Secretary under the provisions of this Act or the regulations issued pursuant to this Act.

(c) Whoever knowingly uses, transfers, acquires, or possesses coupons in any manner not authorized by this Act or the regulations issued pursuant to this

Act shall, if such coupons are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(d) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined no more than \$5,000 or imprisoned for not more than one year, or both.

(e) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8.

PAYMENTS TO STATE AGENCIES

SEC. 15. The Secretary is authorized, in accordance with the formula specified in this section, to make payments to State agencies for the purpose of reimbursing such agencies for part of the costs incurred in the certification of those households which are not receiving benefits under the federally aided public assistance programs. The amount of such payment to any one State agency shall be 50 per centum of the sum of: (1) the direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such postinterview field investigations as are necessary to certify the eligibility of such households, and of the immediate supervisor of such personnel, for such periods of time as they are employed in certifying the eligibility of such households; (2) travel and related costs incurred by such personnel in post-interview field investigations of such households; and (3) an amount not to exceed 25 per centum of the costs computed under (1) and (2) above.

APPROPRIATIONS

SEC. 16. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act.

(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section.

(c) If the Secretary determines that any of the funds in the separate account created under section 7(d) of this Act are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 17, 1963.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a draft of a proposed bill which authorizes the operation of a food stamp program.¹

The submission of this proposed bill is a result of experience gained by this Department in the operation of a series of pilot food stamp programs. These pilot operations were inaugurated in mid-1961 at the request of the President and were conducted under the authority of section 32 of Public Law 320,

¹ The draft of the proposed bill is the same as the bill H.R. 5733, and therefore is not included in this printed record.

74th Congress, as amended. Currently, the program is being further tested in a total of 31 separate areas under a wide variety of operating conditions. Additional areas have been designated for inclusion later this fiscal year. A series of studies designed to determine the impact of the program on family food purchases have been made or are underway. Furthermore, administrative and operating techniques are being tested and evaluated so as to provide the Department with the experience necessary to effectively operate the type of program provided in the proposed bill.

The Department recommends favorable action on this proposed bill.

The food stamp program is designed to strengthen the agricultural economy, help achieve a fuller and more effective use of food abundances, and to improve levels of nutrition among those households in economic need. These purposes are achieved by increasing the limited food-buying ability of such households. The program will be operated through normal channels of trade.

Under such a program, needy households are provided with an opportunity to purchase—at a charge that is equivalent to the amounts of money they could normally be expected to spend for food—an allotment of coupons of higher monetary value. The Federal Government finances the cost of the coupons which are provided free of charge. The purchase of coupons by participating households is designed to insure that the additional coupons provided free of charge to such households actually results in increased food purchases through normal trade channels.

Coupons issued to participating households may be used by them only to purchase food out of regular commercial supplies at retail food stores. Coupons accepted by such stores are redeemed through wholesale food concerns or directly through banks. The proposed bill also provides for the undertaking of an educational program to encourage participating households to purchase foods available in abundant supply and those most needed in diets.

Studies conducted by this Department during the pilot program indicate that a food stamp program is practicable in terms of its administrative and operating aspects and is effective in expanding food markets and in improving the diets of participating households.

A survey conducted in a sample of retail food stores in the eight original pilot programs showed that the dollar volume of food sales increased by 8 percent after the inauguration of the food stamp program. The stores included in this survey represented an estimated 50 to 85 percent of total retail food store sales in all of the original eight pilot areas except Detroit. There, the survey stores were drawn from low-income areas of the city. Meats, produce and other grocery items shared in the increase in food sales and the smaller retail stores were able to attract a reasonable proportion of the coupon business.

A second survey undertaken in two of the original pilot areas showed that households participating in the pilot food stamp program made significant increases in food purchases and in the total value of food used after they started to participate in the pilot food stamp program. This information was collected through a detailed investigation of food consumption among a representative sample of households in April-May of 1961, before the inauguration of the pilot food stamp program, and in September-October of that year when the pilot program had been in operation for some time.

Animal products, such as meat, poultry, fish, milk, and eggs, and fruits and vegetables accounted for more than 80 percent of these gains in the value of food used. These are the foods most needed for dietary improvement and a shift of more of our agricultural resources into the production of such foods would help to strengthen the agricultural economy.

This survey also showed that a food stamp program is especially effective in providing assurance that the Federal contribution (in the form of the coupons provided free of charge to eligible households) actually resulted in an increase in food purchases by participating households. A special analysis of the data derived from this survey showed that approximately 85 to 95 percent of the Federal contribution to participating households was reflected in increased food purchases in retail stores. This level of effectiveness is considered to be about the maximum to be expected under any program designed to expand markets for food.

These two household food consumption surveys also showed that there was a substantial improvement in the quality of diets among households participating in the program. From nearly two-fifths to almost one-half of these households had good diets in September-October under the food stamp program. Only slightly more than one-fourth of these households had good diets in April-May before the food stamp program was inaugurated.

It is clear that farmers have a definite stake in any program which expands markets and results in increased food sales, even though no one program can be relied upon to strengthen our agricultural economy. A food stamp program appears to be an effective way of increasing total food consumption by economically needy households and in concentrating these increases in animal products and fruits and vegetables. Increases in markets for these foods will help to relieve the general problem of overcapacity in agriculture. Particularly, increased markets for animal products would use more feed grains and, thus, a food stamp program could make an important contribution to the total effort to bring our feed grain supplies into balance with demand.

The proposed bill to authorize a food stamp program would provide for the gradual extension of such a program to those political subdivisions in which the various States wish to conduct such a program. The distribution of federally owned foods to needy households would be discontinued in those subdivisions participating in the food stamp program but such distribution would continue to be made to eligible schools and institutions in those areas.

It is not contemplated that the food stamp program would be restricted to designated areas of economic distress because it is designed to improve diets of needy households wherever they may reside. However, as indicated by our experience under the donation of federally owned foods to needy families, we anticipate that many political subdivisions would not feel the need to participate in the program. Therefore, we estimate that, with a continuation of current economic conditions, the program could be reaching approximately 4 million needy persons within a period of 5 years following the passage of this bill. By that time, it is also estimated that the cost of the food stamp program would be approximately \$360 million a year, exclusive of Federal administrative expenses. Such costs would be offset in substantial part by the discontinuance of Federal food donations to needy households in political subdivisions participating in the food stamp program and would tend to reduce the total nationwide cost of this direct distribution program. Also, in accordance with the requirements of Public Law 801, 84th Congress, there is enclosed a table showing estimates of man-years of civilian employment, expenditures for personal services, and expenditures for all other purposes.

Recommendations for the implementation of this program would be made within the framework of the annual budget and fiscal policies of the President.

There is also enclosed a detailed section-by-section analysis of the proposed bill which describes the type of program to be operated and the manner in which it will be conducted.

The Bureau of the Budget advises that the enactment of this proposed legislation would be in accord with the President's program.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

Agricultural Marketing Service, food stamp program

[Estimated maximum average annual positions of civilian employment and fund requirements]

	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968
A. Average annual positions of civilian employment:					
1. Administrative support.....	19.7	48.7	71.3	88.3	97.1
2. Executive direction ¹	.1	.5	.5	.5	.5
3. Program functions.....	135.2	405.8	663.2	836.2	887.4
4. Total, average annual positions.....	² 155.0	455.0	³ 735.0	³ 925.0	³ 985.0
B. Obligations:					
1. Personnel compensation.....	\$1,050,000	³ \$3,500,000	³ \$5,670,000	³ \$7,140,000	\$7,560,000
2. All other items.....	50,450,000	126,500,000	227,430,000	303,060,000	333,240,000
3. Total obligations.....	² 51,500,000	130,000,000	223,100,000	313,200,000	370,800,000

¹ Reflects portion of the time of those now performing this function that would be applied to this program.

² Reflects estimated cost for the pilot areas expected to be in operation by July 1, 1963, for which the 1964 budget proposes financing from section 32 funds until a direct appropriation is available.

³ Would be offset in part through some reduction in direct distribution program.

SECTION-BY-SECTION ANALYSIS OF PROPOSED BILL: THE FOOD STAMP ACT OF 1963

Section 2

This section declares it to be the policy of Congress to make maximum use of our abundance of food to improve the health and well-being of the Nation's population. It finds that the operation of a stamp program, as one part of our national food and agricultural program, will help maintain adequate levels of nutrition, strengthen our agricultural economy, and result in a more orderly marketing of food.

Section 3

This section of the proposed bill provides definitions for the purposes of a Food Stamp Act.

For purposes of such an act, food would be defined as any food for human consumption and all such foods would be eligible for purchase with food coupons (subsection b). To avoid any misunderstanding as to intent, however, the wording of the subsection specifically excludes alcoholic beverages and tobacco as coming within the meaning of this definition of food.

The section defines the term "State agency" as the agency of the State government which has responsibility for the administration of the federally aided public assistance programs. The term "State agency" is intended to include the State and local offices of that agency or, in those States where the federally aided public assistance programs are administered on a decentralized basis, the counterpart county or local agencies which have responsibility for the administration of such assistance programs. Under section 10 of the bill, these State agencies are required to assume responsibility for the certification of households making application for the program.

Subsection (j) of this section defines "State" as the 50 States and the District of Columbia. In view of the intent to provide for a gradual expansion of the food stamp program over a period of years, it is recommended that action authorizing the possible operation of the program in any of the territories or possessions be held for later review and decision by the Congress.

Section 4

A general description of the type of food stamp program authorized by this bill is included in section 4. The type of stamp program described is the type which has been tested on a pilot basis by the Department of Agriculture since mid-1961 under the authority of section 32 of the act of August 24, 1935, as amended.

This section also would authorize the Secretary of Agriculture to issue regulations governing the operation of a food stamp program.

Section 5

This section of the bill limits eligibility for the program to economically needy households, i.e., those households whose economic status is a substantial limiting factor in their ability to attain an adequate diet.

The section further provides that States shall establish specific eligibility standards which will measure the economic need of applicant households, taking into account the general standards and other factors they use in providing welfare assistance to needy persons and households. However, all such standards must be approved by the Secretary of Agriculture to insure they will effectuate the purposes of the food stamp program.

Section 6

Under the authority of this section, the Secretary of Agriculture would provide for the printing of food coupons and their issuance to eligible households. Under the pilot food stamp program, coupons have been printed by the Bureau of Engraving and Printing of the Treasury Department and it is intended that this arrangement be continued if this enabling legislation is authorized by the Congress.

This section also limits the use of coupons to the purchase of food in retail food stores which have been approved to accept such coupons.

Section 7

Section 7 of the bill specifically provides that eligible households shall be charged for a portion of the coupons provided to them. Such charges shall be based upon the household's normal expenditures for food. In return, the household will receive some coupons free of charge and in this manner, they are able to buy more food.

The stamp program is specifically designed as a food program. It is not intended to act as a general income supplement to low-income households. Its purpose is to permit these needy households to buy more food and to improve the nutritional quality of their diets rather than to help them to save on their food expenditures. It is for this reason that participating households are required to exchange the amount of money they normally could be expected to spend for food for coupons of equal value before they are provided with additional coupons free of charge.

This section also provides that the coupons provided free of charge are not to be considered to be income to the households for purposes of the Social Security Act and other Federal and State statutes. This provision is deemed necessary to make certain that additional food purchasing power provided to needy households under a stamp program does not automatically result in a reduction in benefits under programs where income determines the availability or amount of such benefits. Likewise, the value of free coupons would not be subject to income taxes.

A separate food stamp account would be established in the Treasury of the United States. All sums collected from participating households would be deposited in this separate account and would be available to redeem the coupons accepted by retail food stores. Section 16 of the bill would authorize a transfer of funds, out of each annual appropriation for the program, to this same account to provide funds for the redemption of those coupons which are issued free of charge to participating households.

Section 8

This section of the bill specifies the procedures and conditions under which retail food stores and wholesale food concerns would make application to the Department of Agriculture for approval to accept food coupons. Approved retailers would obtain such coupons in payment for food purchased by participating households. These retailers could redeem coupons through the commercial banking system or they could redeem coupons through the approved wholesale food concerns.

Any information which the retailer or wholesaler would be required to provide the Department on the volume of his business could be utilized by the Department only for purposes directly connected with the administration and enforcement of this act and regulations. Administrative and judicial review is provided in the event that the Department fails to approve the application of any retailer or wholesaler.

Section 9

This section of the bill specifically authorizes the use of the commercial banking system to redeem food coupons.

It is the intent of this section of the bill to provide for the same system of coupon redemption that is currently being used under the pilot food stamp program. Authorized retailers and wholesalers redeem coupons through commercial banks. These banks then redeem the coupons through Federal Reserve banks, which, under the provisions of section 15 of the Federal Reserve Act, are acting as fiscal agents of the Department of Agriculture. Federal Reserve banks examine coupons for genuineness, destroy the coupons, and call upon funds in a Treasury account to reimburse them for the value of coupons received from commercial banks.

Section 10

This section of the bill is concerned with legislative provisions for the administration of a food stamp program. Under it, the State agency responsible for the administration of the federally aided public assistance program would assume responsibility for the certification of applicant households. That same agency would assume responsibility for the sale and issuance of food coupons, unless it was mutually agreed that coupon issuance responsibilities could be more effectively carried out by another agency of the State government. In either event, it would be possible for the State agency to contract with local government agencies (or with banks) for the actual sale and issuance of the food coupons.

The general administrative arrangement between the Department of Agriculture and the State public assistance agency would be the same as that used in the operation of the pilot food stamp program, which was patterned after that authorized in the Social Security Act. State agencies would submit for

approval a plan of operation which would commit them to observe the requirements of the enabling legislation and the provisions of the Federal food stamp regulations. As well, the plans would specify the manner in which each State would carry out its certification and issuance responsibilities.

This section would further require that the State public assistance agency carry out its certification responsibilities under the same general procedures and merit system personnel standards as are required of such agencies by the Department of Health, Education, and Welfare in the administration of the federally aided public assistance programs. Within political subdivisions within each State, the certification responsibility would be carried out by the local offices of the State public assistance agency, or in those States where the federally aided public assistance programs are operated on a decentralized basis, by the counterpart local assistance agencies which now administer such federally-aided programs.

While this section provides that the State public assistance agency assume full responsibility for the certification of applicant households, it is not the intent to preclude the possible use of casework information and records on the economic status of households which has been developed by other public agencies that are responsible for the granting of general assistance or relief.

This section further provides that, where necessary, the Secretary of Agriculture shall provide a State agency with reasonable opportunity to institute any necessary program or administrative corrective measures to bring its food stamp operations into compliance with Federal requirements, before the benefits of the food stamp program are withheld from eligible needy households within the State.

Section 11

Under this section of the bill, the Department of Agriculture has authority to disqualify from further participation in the program those retailers and wholesalers who have been found to be in violation of program requirements. Such disqualifications are subject to both administrative and judicial review under the provisions of section 13 of the bill.

Section 12

This section provides the Secretary of Agriculture with the power to settle claims arising out of the operation of a food stamp program.

Section 13

Section 13 specifies the administrative and judicial reviews available to a retail food store or a wholesale food concern in the event (a) the store or concern has failed to receive the approval of the Department to accept food coupons; (b) it is disqualified from further participation under the provisions of section 11 of this bill; or (c) it is denied a payment of a claim under the provisions of section 12.

Judicial review can be obtained through U.S. district courts.

Section 14

This section of the proposed legislation permits the Secretary to incorporate appropriate provisions in the Federal program regulations for the issuance or redemption of coupons at such times and in such manner as he may find necessary to protect the interest of the United States, and to facilitate enforcement of the provisions of the proposed act and the Federal regulations.

Jurisdiction is conferred on the U.S. district courts to enforce the proposed act or the program regulations. The U.S. attorneys, acting under the direction of the Attorney General, are authorized to represent the Government, at the request of the Secretary, in any legal proceedings instituted in the several district courts under the proposed act.

Subsections (c) and (d) of this section impose criminal sanctions for violations of the proposed act and the Federal program regulations. The section also provides that coupons shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8, thus making applicable to food coupons all existing statutes relating to offenses involving obligations of the United States.

Section 15

To insure careful and effective certification of the eligibility of those households which are not receiving benefits under the federally aided public assistance programs, it is deemed necessary and in the interest of the Federal Government to assist State agencies in meeting a part of the cost of certifying such households for the food stamp program.

The amount of such payments will be computed under a formula which is prescribed in this section of the bill. The formula provides for arbitrarily computing the payment by taking 50 percent of the sum of (1) the salary costs of those caseworkers who are employed in the certification of nonassistance households and the immediate supervisors of such caseworkers; (2) the travel costs incurred by these employees in field investigations of applicant households; and (3) an amount equal to 25 percent of the costs incurred in (1) and (2) above.

Section 16

This section of the bill authorizes an annual appropriation to carry out the provisions of the bill. The annual appropriation would be used to cover (1) all program costs, such as the value of coupons issued free of charge to households, related costs in the printing and shipment of coupons, and the payments to States authorized by section 15 of this bill; and (2) Federal administrative expenses.

Additionally, this section gives clear direction to the Secretary that the annual appropriation for the program is the basic factor which determines its size and scope and determines the rate at which it can be extended to those areas where the inauguration of such a program is warranted and requested by State agencies. Further, this section authorizes the Secretary of Agriculture to terminate the separate food stamp account maintained in the Treasury of the United States if such action is deemed necessary and appropriate at some future date.

STATEMENT OF HON. ORVILLE L. FREEMAN, SECRETARY OF AGRICULTURE; ACCOMPANIED BY HOWARD P. DAVIS, DIRECTOR, FOOD DISTRIBUTION DIVISION, AGRICULTURE MARKETING SERVICE; AND MISS ISABELLE M. KELLEY, ASSISTANT TO DIRECTOR, FOOD DISTRIBUTION DIVISION, AGRICULTURE MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Secretary FREEMAN. Mr. Chairman, members of the committee, I appreciate the opportunity to appear in support of H.R. 5733, a bill which will place the pilot food stamp program on a permanent basis.

This program, together with other measures to share our food abundance, represents an expression of our belief that every American citizen should have an adequate, nutritious diet. To me, and I speak both personally and for President Kennedy, this is both a spiritual and moral principle.

I know the Congress speaks with this same voice—witness the appropriation in this current fiscal year of more than \$600 million to finance various programs to share our food abundance more widely—through school lunch, special milk, institutional feeding, direct distribution, and other programs.

We can speak positively about these efforts to insure every American has the opportunity for an adequate diet because today this country produces more than enough food to meet the needs of every man, woman, and child. In fact, if it were needed, the American farmer could increase overall farm output as much as 25 percent in just 2 years.

This ability—this abundance—this potential for superabundance has been, and is, of enormous benefit to the American people. The cost of food, in relation to family income, is lower than ever before in history—or in any other country in the world.

Thus the farmer, backed by the scientist and engineer, has demonstrated that we have the resources to insure adequate diets—while the Congress and this administration have demonstrated the will to meet the moral responsibility this accomplishment places on us.

We know that, because of low income, unemployment, old age and physical disability, some 13 percent of the American people have serious nutritional shortages. If we do not succeed in making our food abundance available to all persons—especially to these people—then the reason is simply that the distribution machinery is not as effective as it should be.

Since early 1961, the Department has been working carefully and methodically to improve the mechanics of food distribution to better accomplish the goal that both the Congress and the administration share. We have expanded the direct family distribution program, which supplements the food supply of low-income families. We also have been testing in urban communities—in rural areas—and in various combinations of both rural and urban populations, a new piece of food distribution machinery—the food stamp program, designed to supplement the food budget of low-income families.

Our experience to date with this program is uniformly good, and we believe the pilot food stamp program is now ready to become a permanent program.

Before going into detail on the results of the pilot food stamp projects, permit me for a moment to review some of the background of the direct family distribution program.

This program utilizes foods which are carried in Government storage or which are in heavy supply in the market. We currently are making available 10 different food commodities under it. Generally, we make these commodities available to the various State governments at designated points in each State, and the distribution and designation of recipients is the responsibility of each State, although the Department reviews eligibility standards and program operations.

This year we expect an average of 6.5 million persons will participate in this program. It is reaching families in over 1,580 counties in 48 States and in the District of Columbia, Puerto Rico, the Virgin Islands and various territories. Well over a billion and a half pounds of food, valued at \$225 million, will be distributed in this fiscal year.

This program is doing an enormous amount of good, but as we have expanded it in line with President Kennedy's Executive order, the inherent weaknesses of a direct distribution program are becoming more obvious.

There are a limited number of commodities which can be made available, and this limitation restricts the program's effectiveness in providing a varied, well-balanced diet. This is particularly true in regard to livestock products and fruits and vegetables—regular, daily parts of the diet which most of us—and most American—enjoy.

As the program expands, we also are expanding a separate distribution system which parallels the efficient wholesale and retail distribution system which brings to most people the food they eat. It is obviously wasteful to build a large second distribution system if one can be adapted to serve two purposes.

There also is the problem of preventing violations and misuses of the program, even as we have seen here in the District. These faults can be corrected, but the administrative machinery required to do this could become cumbersome—and would be unnecessary under a food stamp program.

Recognizing these weaknesses, we revived the idea of a food stamp program which first had been tried shortly before the Second World War. In most respects, what we have done is to lift up the radiator cap and drive a whole new machine under it.

The prewar food stamp program was a good idea, but it suffered badly from administrative problems both in design and in execution. Realizing that the memory of problems still hung over the food stamp concept, we began slowly with a few pilot projects.

During the past 2 years, the program has grown from the original 8 projects in 8 States to 35 projects in 19 States. We have added 7 projects this month, and 21 States now have projects. Three additional projects are scheduled to begin later this year.

The specific purpose of a stamp program is to increase the food-buying ability of families whose limited incomes do not permit them to buy all the food they need for minimum good nutrition. In doing this, we also utilize one single distribution system.

To insure that the stamp program actually results in increased food purchases, participating families are required to purchase food coupons. The price, which varies by families—depending upon their size and income, is intended to approximate the amount of money they have been spending for food. The family then receives additional coupons to supplement their food budget. In effect, a family exchanges the amount of money it has been spending for food for coupons of a higher monetary value, thus increasing the family budget for purchase of food in retail stores to a desirable nutritive level.

In May of this year, for example, 327,752 persons were participating in the program. For each \$10 worth of coupons issued, the families, on the average, paid about \$6.10 and received additional coupons worth \$3.90.

In total, in May, \$6.3 million in coupons were issued and the families paid for \$3.9 million worth of them. Our research would indicate that this \$3.9 million represented between 85 to 95 percent of what these families would have spent for food in the absence of a stamp program.

In other words, the amount each family spends for food coupons is about what the families had been spending for food.

This basic principle—that families had to continue to spend about as much for coupons as they had been spending for food—has been difficult for many people to immediately understand and accept, including welfare officials and the families themselves. This is understandable because these families also feel the need for more clothing and other nonfood items. However, we feel it is a principle that should be continued. Such a principle is incorporated in the provisions of H.R. 5733.

We have also found that our second principle is essential—that there must be a high degree of State and local cooperation in the operation of a food stamp program. This makes it possible to gear the program to the economic needs of the participating areas and families.

Under the pilot program, State welfare agencies are responsible for the certification of families. The sale or issuance of food coupons also has been a State or local responsibility.

This arrangement would continue under the provisions of H.R. 5733. As under the pilot program, the bill provides that the cost of certifying families and issuing food coupons would be borne by sources within the State, with one exception. Some Federal program funds would be available to pay a limited proportion of the cost of certifying those families who were not receiving public assistance. Such payments are being made under the pilot program and they have contributed materially to the careful certification that generally has been obtained.

The coupons were designed and printed by the Bureau of Engraving and Printing, after consultation with the American Banking Association, the Secret Service, and the Federal Reserve System. They are slightly smaller than a dollar bill and can be processed by existing mechanical counting machines designed for our paper currencies. The retailer handles the coupons like currency or other commercial paper and can redeem them at his local bank.

These two features of the program have, of themselves, greatly simplified the operation of the program at the retail level. They have been universally accepted by food trade groups, especially when the present coupons are contrasted with the postage-type stamp and the time-consuming redemption procedures which were used under the former food stamp plan operated between 1939 and 1943.

The results of our evaluation studies indicate that participating families made significant increases in the value of food consumed under the program. And over 80 percent of these consumption gains were accounted for by livestock products and fruits and vegetables.

Other major findings of our study results in the eight original areas were—

Retail food store sales increased 8 percent, on a seasonally adjusted basis. Sales gains were reported for all sizes of retail food stores.

The diets of participating families showed marked improvement in Detroit and in the rural sections of Fayette County, Pa., where detailed studies were made. Only slightly more than 25 percent of the families had diets that could be rated as good, prior to the inauguration of the program. After its start, nearly 40 to 50 percent of these families had good diets.

Favorable reactions to the program were reported in a study of attitudes. These favorable reactions were obtained from moderate and higher income families as well as from families who were eligible for the program. Welfare workers indicated that they felt the program was an effective way to increase the food purchases of low-income families.

We are continuously studying the purchase requirements to insure they are not eliminating certain low-income families who need and can use more food. Some adjustments have been made in areas where housing costs appear to be abnormally high or in hardship situations such as when the family has unusual medical expenses. In these circumstances, the family's previous food expenditures would have been significantly less than the average amount to be expected based upon family size and income.

We feel that effective certification generally is being obtained through the use of qualified personnel of the regular State welfare

agency. No serious problems have been encountered in providing for the proper control of the coupons shipped to States for subsequent issuance to participating households. Proper accountability of the funds collected from families had been maintained. Also, as we have indicated, no major problems have been experienced in the handling of coupons in retail stores and the use of the commercial banking system has provided retailers with a rapid means by which coupons can be redeemed.

From the beginning, we have received excellent cooperation from retailers in the operation of the program. The Department of Agriculture has had direct responsibility for the approval and supervision of retail stores. H.R. 5733 would continue to place that responsibility in our Department.

We have taken care to inform retailers of the rules for handling coupons prior to the start of the program. Close supervision has been maintained after the start of the program, educational activities have continued, and rumors or other evidence of possible violations have been investigated.

In the pilot programs which opened on or before March 1, where time has permitted a test of the degree of compliance being obtained, nearly 8,000 retailers had been approved to accept food coupons. For 104 of these stores, evidence of violations has been of the nature that warranted a special investigation. By the first of June, 71 of these investigations had been completed. Of these, 35 had resulted in retailers being suspended from the program for periods ranging from 30 days to permanent disqualification, or less than one-half of 1 percent of all participating stores.

The most frequent violation in these 35 cases involved some sale of ineligible foods, soap, and paper supplies. About two out of three cases involved some exchange of some coupons for cash. About one out of three cases involved some sales of alcoholic beverages. However, even in these stores, it appears that most of the coupons were being used to buy eligible foods.

At present, as you know, the food stamp program is being financed through section 32 funds which the Congress has directed should be used to relieve temporary surpluses and to stabilize market prices. We estimate that the program cost of the current pilot operation on a full-year basis will be at an annual rate of \$50 million.

In urging that this program be placed on a permanent basis, we are proposing that during the first year it be continued at the same level as now. The size and scope of the program, together with the rate at which it could be expanded to additional areas, would be governed by the size of the annual appropriation.

It would be our intent, and we believe necessary to insure effective administration, to provide for progressive expansion over a period of years to those areas of the country where the need for such a program is warranted.

The stamp program would not be restricted to any particular areas, nor do we visualize that such a program would operate in every community. Many political subdivisions would not feel the need to participate because of the relatively small numbers of potential participants, and in certain areas the direct distribution program will remain the most effective means of insuring adequate diets.

We estimate that, with a continuation of current economic conditions, a stamp program could be expanded over a period of years to about 4 million needy people. This would amount annually to a cost of about \$360 million. However, since this program would be replacing the current direct distribution program for needy families, we estimate that about two-thirds of this amount would be offset through curtailment of this latter program.

All of us will agree, I am sure, there is no adequate substitute for jobs and the income they bring to buy the food to feed the family. However, we also recognize that life does not treat all men alike when it comes to meeting basic needs. And, thus, the real question is not only what can be done to provide jobs, but also whether we possess the humanity to abolish hunger when we have the means.

History will write of our generation as the age when man began to explore the universe, but I suspect that the brightest page of that book will be the one which describes not our scientific achievement but our achievement in simple humanity—of our efforts at home, and in the world, to abolish hunger, to apply our knowledge and our skill to make sure people get enough to eat.

The CHAIRMAN. Mr. Secretary, thank you for your fine statement. On page 4 of your statement you say :

Well over a billion and a half pounds of food, valued at \$225 million, will be distributed in this fiscal year.

And you say in another paragraph, on page 11 :

We estimate that the program cost of the current pilot operation on a full-year basis will be at an annual rate of \$50 million.

What are we spending on the food stamp program?

Secretary FREEMAN. Mr. Chairman, on page 4 we are referring to the direct distribution system, rather than the food stamp program.

The CHAIRMAN. What do you mean by "the direct distribution system"?

Secretary FREEMAN. The program where we are making food in bulk available and distributing it physically to 6,500,000 people now around the country, as distinguished from the food stamp program, where they take the stamps.

The CHAIRMAN. That is at a cost of about \$50 million?

Secretary FREEMAN. The current recommended budgetary level is \$50 million, yes, sir.

The CHAIRMAN. Thank you. Are there any questions? Mr. Hoeven.

Mr. HOEVEN. What was the original purpose of the food stamp plan?

Secretary FREEMAN. It had a dual purpose, Congressman Hoeven. First, to reach people whose diet is inadequate and whose means are insufficient to purchase enough nutritious food for their needs; and second, by expanding their demand, to strengthen the economy and the markets and the consumption of agricultural products.

Mr. HOEVEN. Was not one of the purposes to get rid of surplus agricultural commodities?

Secretary FREEMAN. Yes, sir.

Mr. HOEVEN. Well, now, what is embraced in the present proposal, outside of that?

Secretary FREEMAN. It would result in an increase in consumption of food involved in this program.

Mr. HOEVEN. What food?

Secretary FREEMAN. All foods. It would reach two items that we have presently in Commodity Credit Corporation stocks, as well as items that are not in those stocks. It would, for example, run to the feed grains, wheat and others, which are converted into various high-protein items which are needed by people who presently, in many instances, are unable to buy them.

Mr. HOEVEN. It would have practically no effect whatsoever on the surpluses of wheat and corn and other surplus commodities, would it?

Secretary FREEMAN. Yes; I think it would have. It has had.

Mr. HOEVEN. How has it?

Secretary FREEMAN. To the extent that people who otherwise could not buy milk, could not buy pork, could not buy beef, could not buy chicken, could not buy turkey, could not buy all of the things to which we convert feed grains and wheat, thereby we could possibly use more than if we only fed direct cereals. It would have a direct relationship to expanding the consumption of cereals that we have in surplus.

Mr. HOEVEN. Well, would you provide for the record statistics covering the commodities you have mentioned, as to how much they have contributed directly to the food stamp plan?

Secretary FREEMAN. Yes. On the expansion in use of the commodities I mentioned, I will submit for the record the results of our surveys and studies which indicate a very significant expansion of consumption of these items.

(The information follows:)

STATEMENT OF THE DEPARTMENT

The following table shows that the food stamp program has brought about an overall increase of 24 percent in the use of grains directly and indirectly among participating families above their preprogram level of consumption when the direct distribution program was in operation. This conclusion is based on a special analysis of changes in household food consumption made in Detroit, Mich., as part of the initial evaluation of the pilot food stamp program. Participation in the Detroit pilot program represented over half of the total participation in the original eight pilot areas.

On a per capita basis, participating families increased their direct consumption of grains or grain products from 4.8 to 5.2 pounds per week. In addition, the indirect use of grains through the consumption of animal products increased from 39.1 pounds to 48.4 pounds per person per week. This substantial increase in consumption of animal products resulted when families used their additional purchasing power to purchase more of these products.

*Grain consumption under the commodity donation and food stamp program,
Detroit, Mich.*

Food categories	Pounds of grain consumed per person in 1 week—	
	Under com- modity donations (April-May)	Under food stamp pro- gram (September- October)
Foods consumed as grains or grain products:		
Wheat:		
Flour and cereal products.....	2.1	2.2
Commercial bakery products.....	1.4	1.8
Total.....	3.5	4.0
Corn and products (total).....	1.0	1.0
Rice (total).....	.3	.2
Total grains and products.....	4.8	5.2
Grain feeds required for animal products consumed:		
Meats and products.....	24.0	32.2
Poultry and eggs.....	7.9	9.0
Dairy products.....	7.2	7.2
Total grain feeds.....	39.1	48.4
Total food and feed grains.....	43.9	53.6

IMPACT OF PROGRAM ON CONSUMPTION OF MAJOR FOODS, DETROIT, MICH.

Approximately 80 percent of the increased food purchasing power provided under the stamp program was directed toward increased consumption of animal products and fruits and vegetables. Other foods, as indicated in the following table, such as fats and oils and sugar experienced smaller increases.

Quantities of specified foods consumed in a week per member of participating families, before and after initiation of Federal food stamp program, Detroit, Mich., 1961¹

Food	Under commodity program April-May	Under Food Stamp program September- October	Percent difference
	<i>Pounds</i>	<i>Pounds</i>	
Meat.....	2.753	3.782	37.4
Poultry.....	1.014	1.348	32.9
Fish.....	.364	.471	29.4
Milk, cream, ice cream, and cheese ²	7.372	7.438	.9
Shell eggs.....	.470	.550	17.0
Fats and oils.....	.863	1.027	19.0
Flour and other cereal products, including bakery items.....	4.083	5.336	30.7
Sugars, sweets.....	1.143	1.230	7.6
Fresh vegetables.....	1.806	4.062	124.9
Potatoes, sweet potatoes.....	1.875	1.973	5.2
Fresh fruits.....	1.564	2.618	67.4
Commercially frozen fruits and vegetables.....	.049	.096	95.9
Commercially canned fruits and vegetables.....	.824	1.085	31.7
Fruit and vegetable juices, fresh, frozen, canned, powdered.....	.307	.539	75.6
Dried fruits and vegetables.....	.354	.337	-4.8

¹ Before adjustment for seasonal changes in price and foods consumed. Includes home-produced, gift, and federally donated as well as purchased foods.

² Fluid milk equivalent.

Mr. HOEVEN. It is my understanding that the food stamp plan does not move commodities that are in great surplus to any great degree, but only to a minor degree.

Mr. Secretary, I think you know that the Committee on Agriculture is jealous of its rights and prerogatives. I am sure the Secretary of Agriculture is also concerned about the criticism which is directed toward the Department and somewhat toward this committee on account of the terrific sums involved in operating the Department of Agriculture. I am one of those who have contended for years—shared by all members of our committee—that agriculture should not be charged with, for instance, the school lunch program which benefits all of our children, and the same may be said of the milk program.

In the field of foreign aid, agriculture is charged with all of the distribution under Public Law 480 which should be charged to the Department of State and our foreign affairs operations.

Mr. Secretary, under all of these circumstances I am a bit surprised that you appear before this committee now and recommend a welfare program which is entirely charged to the Department of Agriculture. We are not opposed to bettering the diet of our people, or in giving them proper nourishment. If we are to have an expanded food stamp program, why is it not sponsored by the Department of Health, Education, and Welfare? The proposed program will apply to all 50 States and the total sum involved cannot even be estimated at this time.

How do you justify the Department of Agriculture sponsoring a strictly welfare program?

Secretary FREEMAN. I will respond to that question by saying, first, that I agree with you, Congressman Hoeven, and have in every way possible emphasized again and again the number of programs that are charged to the farmer. In reality, there is about \$2 billion in our budget that is properly charged to the farmer, related to the farmer programs, and the balance involves service to this country, and in some cases, to the whole world, of a whole variety of kinds, as you well know, ranging from forestry programs through a host of other programs that are for consumer protection and reach every single citizen.

On the other hand, if we are to meet our responsibilities in connection with agriculture and its commodities, we need to be in a position to respond to the needs of the American agricultural programs that are intimately related to the welfare of American agriculture and not to turn these programs over to other agencies of this Government who would administer them without any regard for the welfare of American agriculture.

And in this instance, we are serving a dual purpose. And one of the prime purposes is American agriculture, the maintenance of a fair price structure, the surplus disposal program and an intimate relationship between the use of this food and its distribution at a given time and place, and the given state of welfare, economically speaking, of agriculture.

And as such, although we are charged, unfortunately, with things that we ought not to carry the whole burden of, budgetwise, it would be my judgment, reinforced since I have been Secretary of Agriculture, that there are a number of these areas where I would hesitate to have

the Department of State making the decision on what commodities should be used under Public Law 480, because I want to be sure that those decisions are made consistent with the welfare of the American farmer.

I would be concerned with the question of whether it should be direct distribution or not and when and how a food stamp program should be turned over to the Department of Health, Education, and Welfare.

The CHAIRMAN. Permit me to interrupt there.

Mr. HOEVEN. Certainly.

The CHAIRMAN. I know that Mr. Hoeven is not arguing against these programs, because he has supported them, but what he has said and has been saying year after year is, Why could we not devise some way to charge this up to welfare, rather than to the farmers and the farm program?

I do not know how you can do it, but it is a matter of bookkeeping.

I want to say this, that section 32 funds were never made available or it was never intended to be made available, and we never passed Public Law 480, to have a school lunch program or any food stamp program.

I think the fact is that because we have this surplus, it caused us to embark upon these programs which have proved to be very worthwhile.

I do wish that some way could be found to charge this up to welfare and not to the farmer. With a \$6 billion budget, the city people criticize us and complain that the farmers are a bunch of parasites, bloodsuckers and many other unwarranted epithets.

As a matter of fact, more of this goes to the cities than it does to the country people. The benefits are more for the city people.

Mrs. Sullivan is sponsoring this program and she wants to expand this program. However, every dollar that is spent is put on the backs of the farmers.

Mr. HOEVEN. I thank the chairman for his very valuable contribution. He said it much better than I have.

Mr. Secretary, on page 5 of your statement, you say :

The specific purpose of a stamp program is to increase the food buying ability of families whose limited incomes do not permit them to buy all the food they need for minimum good nutrition.

I cannot understand how you, as the Secretary of Agriculture can recommend that kind of a program which is entirely charged to your own Department. Do you have any comment?

Secretary FREEMAN. Yes. It is also an expansion of the demand for commodities that are in surplus that contributes to trying to strengthen the economic position of the American farmer.

Mr. HOEVEN. Well, now, Mr. Secretary, you know very well that I am not going to question your good intentions, but when you boil it all down, so far as the reduction of the surplus agricultural commodities are concerned, this food stamp plan is just infinitesimal. Do you think that this legislation is necessary?

Secretary FREEMAN. Yes, sir.

Mr. HOEVEN. On what basis and why?

Secretary FREEMAN. I have tried to state that basis, Mr. Hoeven—a combined basis.

Mr. HOEVEN. Aside from the welfare aspect of it, what is the need for this legislation, as far as agriculture is concerned?

Secretary FREEMAN. Because it will expand food-buying power and it will utilize some of the surplus production of American agriculture.

Mr. HOEVEN. As the chairman well pointed out, section 32 funds were set up for a specific purpose.

Now we find that the current food stamp plan is being carried on out of section 32 funds. Last week the House passed an appropriations bill carrying \$40 million for this program in fiscal year 1964. The Sullivan amendment that was adopted in 1959 to Public Law 480 covered the period from February 1, 1960, to January 31, 1962, and has now expired and has never been used by the Department. So if you have not used this amendment, why do you need this legislation? Apparently, the sky is the limit and there is no limit on the amount of the appropriations. Under these circumstances why do you need this legislation?

Secretary FREEMAN. The program up to date has been a pilot program, under section 32.

Mr. HOEVEN. Yes, that is right.

Secretary FREEMAN. Now we believe it has established itself as a sound and workable program to meet the twin objectives I have outlined. As such, it ought to be, in my judgment, made permanent and operated as such and not operated under a section 32 proposition which runs to the direct distribution program which would also continue. And we have just gotten a second method to accomplish the twin goals I referred to.

Mr. HOEVEN. Is there any real evidence that the food stamp plan has actually cut down the inventory of surplus crops?

Secretary FREEMAN. Well, I expect that you could make a strong argument either way on that.

Mr. HOEVEN. In what respect has it cut down on the surplus? Do you have any figures?

Secretary FREEMAN. I will submit such an argument for the record. (See statement supplied by Department on p. 18.)

Mr. HOEVEN. Mr. Secretary. It has been charged that the food stamp plan has been used for partisan political purposes; is that true?

Secretary FREEMAN. No.

Mr. HOEVEN. How do you explain that the first 26 pilot plants were all placed in the districts of Democratic Members of Congress? I believe that the gentleman from Pennsylvania, Mr. Saylor, a Repub-

lican, had one of the most critical areas in the United States. He made representations to you to have his district included and that was not done until quite recently.

Secretary FREEMAN. The decision——

Mr. HOEVEN. Just what is the basis of allocating the pilot plants?

Secretary FREEMAN. The basis of allocating is implicit in the word "pilot," that these were study areas which embodied the combination of factors where we wished to test the workability of the program under given conditions. And as such the areas, both urban and rural and combined urban and rural were selected within very strict budget limitations. This combined with the need aspect. The decisions were made on that basis. That is the criteria that the Secretary set down in the selection of the districts which were made by the people in the program operating it who wanted to determine various facts by experience.

Mr. HOEVEN. In spite of the fact that the gentleman from Pennsylvania, Mr. Saylor, showed conclusively that he had one of the worst depressed areas in the United States, he was not awarded a pilot plant.

Secretary FREEMAN. The need was not the sole criteria. As a matter of fact, it was not the overwhelming criteria. The prime criteria was the combination of circumstances that we wanted to test out how the program could be administered, so that some of the weaknesses that have been disclosed in the food stamp program earlier would be tested out and hopefully overcome. And we believe we have succeeded in doing that.

Mr. HOEVEN. In your statement, Mr. Secretary, you say that during the past few years the program has grown from 8 programs in 8 States to 35 projects in 19 States and——

we have added 7 projects this month, and 21 States now have projects. Three additional projects are scheduled to begin later this year.

Where have the new projects been established?

Secretary FREEMAN. I do not know.

Mr. HOEVEN. You do not know?

Secretary FREEMAN. No.

Mr. HOEVEN. Well, now, you state that they are going to be established. Have you not made any study of the needs?

Secretary FREEMAN. Yes; but I just do not happen to have a piece of paper in front of me with the decision as to what the final ones have even been.

Mr. HOEVEN. Will you provide for the record a list of the new projects and the congressional districts in which they are to be established?

Secretary FREEMAN. Yes, sir.

Mr. HOEVEN. I believe that is all.

(The information referred to above follows:)

List of pilot food stamp areas

State and area	Congressional district	Date of opening
Alabama:		
Jefferson County.....	At large.....	Mar. 11, 1963
Walker County.....	do.....	May 6, 1963
Arkansas: Independence County.....	2d.....	Apr. 2, 1963
California: Humboldt County.....	1st.....	Mar. 1, 1963
Illinois: Franklin County.....	21st.....	July 10, 1961
Indiana: Vanderburgh County.....	8th.....	Apr. 1, 1963
Kansas: Rice County.....	1st.....	June 3, 1963
Kentucky:		
Floyd County.....	7th.....	June 1, 1961
Knott County.....	do.....	Dec. 3, 1962
Perry County.....	do.....	Mar. 4, 1963
Louisiana:		
Avozelles Parish.....	8th.....	Mar. 1, 1963
Evangeline Parish.....	7th.....	Jan. 7, 1963
Michigan: City of Detroit.....	1st, parts of 13th through 17th.....	July 5, 1961
Minnesota:		
Carlton County.....	8th.....	Mar. 4, 1963
Itasca County.....	do.....	June 7, 1961
St. Louis County.....	do.....	June 5, 1961
Missouri: City of St. Louis.....	Part of 1st; 3d.....	Jan. 2, 1963
Montana: Silver Bow County.....	1st.....	June 1, 1961
New Mexico:		
Mora County.....	At large.....	June 3, 1963
San Miguel County.....	do.....	June 5, 1961
Santa Fe County.....	do.....	June 3, 1963
North Carolina: Nash County.....	4th.....	Nov. 1, 1962
Ohio:		
Cuyahoga County.....	20th; 21st; 22d; and 23d.....	May 1, 1963
Lucas County.....	9th.....	Dec. 3, 1962
Oregon: Multnomah County.....	3d.....	Do.
Pennsylvania:		
Cambria County.....	Part of 22d.....	Mar. 1, 1963
Fayette County.....	Part of 26th.....	June 1, 1961
Luzerne County.....	11th.....	Oct. 1, 1962
City of Pittsburgh.....	14th; part of 20th and 27th.....	Mar. 1, 1963
Tennessee:		
Grundy County.....	3d.....	June 10, 1963
Hamilton County.....	do.....	Do.
Marion County.....	do.....	Do.
Sequatchie County.....	do.....	Do.
Virginia:		
Dickenson County.....	9th.....	Mar. 4, 1963
Lee County.....	do.....	Mar. 5, 1963
Wise County.....	do.....	Feb. 1, 1963
Washington:		
Grays Harbor County.....	3d.....	² Aug. 5, 1963
Pacific County.....	do.....	(³)
Yakima County.....	4th.....	(³)
West Virginia:		
Logan County.....	do.....	Nov. 1, 1962
McDowell County.....	5th.....	May 29, 1961
Mingo County.....	do.....	Nov. 1, 1962
Wayne County.....	4th.....	Do.
Wisconsin:		
Douglas County.....	10th.....	Do.
Iron County.....	do.....	Mar. 1, 1963

¹ Only portion of these counties participated in 1961; remaining portion entered the program in November 1962.

² Tentative.

³ Subsequent to Grays Harbor opening.

The CHAIRMAN. Mr. Poage?

Mr. POAGE. I would like to ask a question. The Chair just raised a question as to page 6 of your statement as to the interpretation of the fourth paragraph which states:

In other words, the amount each family spends for food coupons is about what the families had been spending for food.

The chairman asked me to verify that. That simply means, as I understand it, that the family which has been spending \$40 a month

for food and obviously needs more, will receive coupons with a purchasing value of approximately \$80 in return for the \$40 they have been spending?

Secretary FREEMAN. That is correct.

Mr. POAGE. When you issue these coupons for \$80 worth of food, they can go with those into the store and they can buy twice as much food as they previously purchased, but they are spending exactly the same amount of their own money which they were spending in the past.

Secretary FREEMAN. That is correct. This prevents the leakage that existed before. It does tend to exist under the direct distribution system. This relates to the question of the use of what we produce.

Mr. POAGE. Of course, under the direct distribution system where a family is determined to be receiving an inadequate supply of food compared to their needs, we authorize the family to receive what we call surplus commodities?

Secretary FREEMAN. Yes, sir.

Mr. POAGE. And if they received \$40 worth of surplus commodities that has been on the theory that they have \$40 to spend, and with these \$40 worth of commodities they would have an opportunity to get \$80 worth of commodities. Or they could take the \$40 that they still have in cash and buy other things with it and try to live off the \$40 worth of surplus commodities?

Secretary FREEMAN. That can happen.

Mr. POAGE. It does happen in many instances. I do not mean in all, by any means, but it does happen. You would expect to avoid that kind of thing by distributing these food stamp coupons?

Secretary FREEMAN. That is precisely the purpose of this system, Mr. Poage.

Mr. POAGE. Let me ask you about another thing. Most stores are using trading stamps. In order not to use the common name we will call them red stamps. The folks over the United States are giving them, and they cost $1\frac{1}{2}$ or 2 percent of the value of the foods. Must we give enough food stamps to pay that extra 2 percent?

Secretary FREEMAN. I am kind of lost.

Mr. POAGE. Let us say that you spend \$3.20 or \$3.40 of the \$80 worth for stamps. It is perfectly obvious that practically every store in the United States is adding $1\frac{1}{2}$ to 2 percent to the cost of everything they are selling in order to give these stamps. That is true, is it not?

Secretary FREEMAN. Yes, I guess so. I am not an expert on that.

Mr. POAGE. And when you give these food stamps, obviously, $1\frac{1}{2}$ to 2 percent of what you are giving goes to buy these trading stamps, does it not?

Secretary FREEMAN. I expect it does.

Mr. POAGE. And that becomes a tremendously large item when we take it over the whole United States and when we get to spending these which are envisioned by this bill we are going to be spending a rather substantial sum on this trading stamps item—the U.S. Government is going to be contributing to buying trading stamps. Is there any real justification for that? Is there any way of avoiding it?

Secretary FREEMAN. I know of none. This is pretty well embedded in our system of distribution and retailing. The business of trading stamps as such is an administrative procedure which would seek to direct itself to that particular problem.

Mr. POAGE. I know. I travel a good deal between here and Texas. I stop at some of these gas stations and they all have a very attractive gasoline price posted. They will say 28.9 cents a gallon for some kind of gasoline, and you drive in and they have five or six pumps with a price of 29.9 cents on them. When you buy from those pumps they give you some glassware, some chinaware or some ash trays, or something of that kind. That is in return for the purchase of that gasoline. But over in one corner of the yard there is always a pump that has a sign on it, "No stamps from this pump."

It is the one that sells the gasoline for 28.9 cents. They sell gasoline there at the price they advertise; from that pump only, however. It does not give you any prize. At all of the rest of the pumps, the gasoline is 1 cent higher and they give you some of these prizes. Could you use a system similar to that which the oil companies use to eliminate the necessity of purchasing trading stamps?

Secretary FREEMAN. Let me ask for a little help on that question. This is Mr. Davis, who administers this program. I will just admit that I have no answer to this.

Mr. POAGE. I do not offer it in the way of criticism.

Secretary FREEMAN. It is a good question.

Mr. POAGE. I do not see any sense in the United States spending a million dollars to buy these trading stamps.

Mr. DAVIS. One of the basic purposes of the program is to achieve the objectives that the Secretary mentioned of improving diets and increasing the markets for farm commodities.

We are trying to do it, however, through commercial trade channels, following as close to normal food merchandising and distribution channels as we can.

In this connection, the Secretary pointed out these trading stamps are part of that merchandising system. We have found no practical way to administer the food stamp program in any other way than to allow these people to buy this food in the grocery store, just as any other cash customer would purchase the merchandise.

So we have, in working this out with the food trade, with the wholesalers and the retailers, their national representatives, required that they must sell food to the stamp plan customers in the same manner, at the same price, under the same conditions as they would to a cash customer.

Now, to require people to sell at a discount to the stamp-plan customers and not give them coupons would complicate the program at the retail store, at the checkout counter, we believe, all out of proportion to what we would gain by so doing and recovering this 1½ percent that might go for the trading stamps.

Mr. POAGE. I know that it is complicated.

Another problem that I see is of about the same magnitude as the trading stamp which has complications.

A good many of the States have sales tax laws—most of the States. That tax is, of course, collectible from the individual, but it is not collectible against the United States of America. If these people used coupons, it would include the money of the United States to the amount of 50 percent. Then would they pay a 50-percent sales tax or would they pay 100 percent of the sales tax.

Mr. DAVIS. We follow the same principle in regard to the sales tax on food purchases that we would in relation to the trading stamps;

in other words, these people would pay the cashiers at the checkout counter for the total bill that the store would charge any other cash customer, so that in fact, in those States where they do have sales taxes on the food sales, they would use food stamp coupons to pay this.

Mr. POAGE. Are you going to say that the State will collect those coupons in payment of the sales tax? What about a \$10 grocery bill, and they have a 2-percent sales tax, can I give that grocery man a coupon for that 20 cents tax, or do I have to dig up the 20 cents in cash?

Mr. DAVIS. No, sir, you would give him the coupon.

Mr. POAGE. The State law says that it has to be paid in money; does it not? How do you square that?

Mr. DAVIS. The question has never been raised in any of the States in which we are operating.

Mr. POAGE. Of course, I presume it is because the grocery man actually pays the tax. I know that is the fact. But most of the State laws require that the individual buying the commodity pay the grocery man in money, do they not—most of them do. Of course, he does not insist on it, because he gets something that he can get cash for; it makes no difference to him.

Secretary FREEMAN. I think that you have answered the question.

Mr. POAGE. I wanted to be clear about these things.

Secretary FREEMAN. It is a very good point.

The CHAIRMAN. Mr. McIntire.

Mr. McINTIRE. Mr. Secretary, these coupons are issued by whom?

Secretary FREEMAN. They are issued by the local authorities. It may be the State, it may be the county, it may be the city, but they are issued by the local people who, in turn, certify the people that are entitled to them and then follow the standards that our studies have indicated by way of the difference between the amount that the family is spending and that it would take to have an adequate diet.

Mr. McINTIRE. These are issued by the same authority that is handling the food distribution program now; is that correct?

Secretary FREEMAN. Not necessarily. There are great variations in this from State to State. One of the problems we have is that administratively with direct distribution it is difficult and expensive.

Mr. McINTIRE. Do you make these available in whatever pilot plan communities have been certified?

Secretary FREEMAN. That is correct.

Mr. McINTIRE. You make these available to the appropriate official designated to you?

Secretary FREEMAN. That is right.

Mr. McINTIRE. By the local authorities who have the responsibility of determining the eligibility of the recipient of these stamps?

Secretary FREEMAN. That is correct.

Mr. McINTIRE. So then when the party goes to the local retail store they have a free choice to pick from the shelves the items they will use this coupon for?

Secretary FREEMAN. With the exception presently of nonfood items. That would not include matches, shall we say, paper towels, certainly alcoholic beverages, cigarettes, that kind of thing.

Mr. McINTIRE. But so far as any food items are concerned, the holder of this coupon has full and unlimited say as to their use; in other words, this coupon can be used to purchase canned olives or any other food item in the store?

Secretary FREEMAN. That is correct.

Mr. McINTIRE. Then you are not holding these coupons strictly to commodities that are in surplus; is that right?

Secretary FREEMAN. It depends on what the definition of "surplus" might be.

Mr. McINTIRE. The definition of surplus rests pretty largely in your Department—you make it periodically.

Secretary FREEMAN. The answer would be that in this instance, why, the coupons are usable for any food item.

Mr. McINTIRE. Then the real connection between this program and the disposal of surplus commodities is incidental, and it rests in the choice of the person who holds this certificate.

In reality, the program does not direct itself to the removal of surpluses. It directs itself to the volume of food purchasing in which the purchaser is not limited as to the food items that this certificate will be used for. Is that correct?

Secretary FREEMAN. Theoretically, this is correct.

Practically, as our studies have shown, the diet of these people, particularly in certain perishable commodities, tends to be sharply limited. They move into the area of these items which, although some of them may not be in direct surplus, for example, let us take meat and fowl, at various times may be on or off the surplus list, but as we all know, they are major consumers of the items in large surplus, to wit, feed grains and wheat.

And the same thing in connection with dairy. This is the place where it has moved and it is the place where it relates and we think can be demonstrated very directly to our prime surplus problem. I would not for a moment say to this committee as knowledgeable as it is in this field that this or the direct distribution program or any program is going to met the problem of actual and potential overproduction in American agriculture, but it does definitely contribute to other means we use to bring about a workable balance between supply and demand, and it has the related purpose of broadening and expanding the diets and increasing the well-being of people involved.

Mr. McINTIRE. Mr. Secretary, certainly, I follow your observation that an adequate diet will increase the purchase of food—I do not argue with that. Economically, those concerned will put the coupons to the best uses. But so far as this program being directed specifically to a function of surplus purchasing, it is not so directed, is it?

Secretary FREEMAN. Let us say that we are tending to use here emphasis on a broad rather than a specific target in an individual commodity at a particular time.

Mr. McINTIRE. That might be in surplus?

Secretary FREEMAN. Which might be in surplus at that particular time, but the net result, and our studies support that, that actually we find that this program, as it permits the use, by people who need it, of perishable items that they otherwise would not get, that are extremely difficult to distribute on the direct distribution route, which items then use substantial amounts of the cereals that are in particularly heavy oversupply. A strong argument can be made that it has a stronger surplus effect in terms of utilization than a direct distri-

bution program, because you do not distribute wheat and you certainly do not distribute corn or feed grains to the ultimate consumer.

Most of these go into perishable items that also are extremely difficult to distribute through the direct distribution plan; and so this will have a very definite effect in expanding demand which is greater than just a 1 to 1 ratio.

Mr. McINTIRE. Thank you.

That is all.

The CHAIRMAN. Mr. Teague?

Mr. TEAGUE of California. I hope that this will not happen, but is—there will be nothing to prevent a man who has \$50 worth of coupons going into a store and buying, say, \$50 worth of Russian caviar?

Secretary FREEMAN. I expect not.

Mr. TEAGUE of California. I hope that will not happen. Another point—in this balanced diet business, do you include fresh fruits and vegetables in that category and hope that people will use more of those?

Secretary FREEMAN. Yes. This is what the studies clearly show that the amount of fresh fruits and vegetables has gone up very, very substantially.

Mr. TEAGUE of California. I would recommend to your statisticians that they reappraise their cost figures, then, for next year, because there will be times of the year when I predict that we will not have fresh fruits and vegetables at all, and at other times that the prices will be very much higher. This is because, as of now anyway, Congress has declined to extend Public Law 78—the Mexican labor program.

Thank you.

The CHAIRMAN. Mr. Grant?

Mr. GRANT. Has there been any study made as to the difference in costs of the surplus distribution program and the stamp plan program, that is, as between these two?

Secretary FREEMAN. Would you answer that point specifically?

Mr. DAVIS. This is a very difficult comparison to make, of course, because they are rather different programs and we are attempting to do a better job with the food stamp program than we have been able mechanically to do with the direct distribution program, but as the Secretary pointed out earlier we estimate that the total program cost of the direct distribution program, in the absence of a food stamp program in 1968, let us say, would be about \$260 million as against the \$360 million for the food stamp program, so that about two-thirds of the cost of the food stamp program would be offset by discontinuing direct distribution to families.

In any comparison such as this you have to remember some of the hidden costs in the direct distribution program that do not appear in this figure of \$260 million. There are certain transportation costs and processing and the more increased consumption we get per dollar out of the food stamp program as opposed to the direct distribution program. There are many other facets, but generally it will cost somewhat more.

Mr. HOEVEN. Will the gentleman yield?

Mr. GRANT. Yes.

Mr. DAVIS. But it will do a better job.

Mr. HOEVEN. Mr. Davis, in quoting those figures you are assuming that the direct relief will go into the food stamp program?

Mr. DAVIS. We are assuming that all of the some 1,500 counties now making direct distribution to needy families would come into the food stamp program.

Mr. GRANT. Is it anticipated that if this legislation is made permanent over a period of time that the direct distribution program would, probably, fade out of the picture?

Secretary FREEMAN. No, I think not. There will be a number of places where the direct distribution will continue and this will vary according to local preferences, numbers of people, the nature of the history of the area. I think that we will continue to have a rather substantial direct distribution program.

Mr. GRANT. That is particularly direct where you have huge surpluses?

Secretary FREEMAN. Excuse me?

Mr. GRANT. There has to be a surplus community in the direct program.

Secretary FREEMAN. In the direct distribution. Really, the major source for a number of things in terms of the outlet is in the schools, institutions and things of that kind where this program would continue. This is an economical program in a very real sense and you will note that the number of recipients who qualified for the food stamp program is somewhat less, significantly less in many places than under the direct distribution program.

The direct distribution program is difficult to administer unless you are prepared to expend very, very extensive costs for careful certification, careful checking of what is distributed, follow up as to how it is used and the mechanics of this are very, very difficult.

Further, under direct distribution, once someone has qualified to come under the local regulation which we generally follow he will get a pro rata share, I mean, he will get the same as anybody else which in addition to what he has been buying may be more than he needs and it may therefore not be as effectively used as it would be in a food stamp program where it is measured to the difference between what he is using and the food stamps that he gets. This is tailored pretty well to his particular case. And so you find a number of people whose income may be very close to the maximum allowed for qualification, who do not come in under the food stamp program, but who have come in under the direct distribution program. That is why the difference in numbers—by the same token you find a more careful use, I think, than we can accomplish with the direct distribution program.

And so I think that I will respond in answering your question by saying that this is in many respects much more efficient; and, in terms of the results in accomplishing objectives, I think, much more effective.

I think both will continue for reasons I have related.

Mr. GRANT. Thank you.

The CHAIRMAN. Mr. Latta?

Mr. LATTI. I notice that you call for a continuation of the "pilot" food stamp program on a permanent basis. Why do you not refer to it as a request for a general food stamp program?

Secretary FREEMAN. I stand corrected. That language would be better. That is what we intended to say.

Mr. LATTI. So we can strike out the word "pilot"?

Secretary FREEMAN. If in your wisdom you decide, as I hope to make it permanent; yes.

Mr. LATTI. How did you determine which areas of the country should get the pilot programs other than by going by unemployment figures?

Secretary FREEMAN. That is one. The other has been that we wanted to find out would this work in a fairly large metropolitan area. We have done that. Detroit is an example.

Mr. LATTI. And Toledo is one.

Secretary FREEMAN. Toledo would be another example.

Mr. LATTI. How would your criteria work in a rural area and how does it work when you overlap rural and urban? Also, how many rural areas have pilot plans?

Secretary FREEMAN. Will you respond to that?

Mr. DAVIS. I would say that numberwise the majority are what might be termed rural, certainly not large city areas. We have, as you know, several large city areas in addition.

We have tried to round out our sample and our experience by taking some very small areas with very limited participation. Certainly we needed to get geographic coverage in order to test the program under different eating and different economic situations, and so on.

A good many of the projects are located in the Appalachian mining areas, for example. We have attempted to get wide geographic coverage.

Mr. LATTI. As I understand it, you have been greatly oversubscribing?

Mr. DAVIS. Yes, sir. We have had very, very numerous requests for the program in many sections of the country.

I might add, if I may, just one other consideration that we on the operating level, tend to give in selecting these areas to the interest of the local people in having the program.

Mr. LATTI. That leads me to the next question. I represent an area that surrounds Toledo. I sent in a request from Ottawa County which borders Toledo. The county commissioners of this county had urged the adoption of one of these pilot programs in their county. They have quite a bit of unemployment. I understand that their application went in and was rejected. I realize there undoubtedly were many applications ahead of theirs, but it is pretty hard to explain to these people who live right across the county line from Toledo that they don't get as hungry as they do in Toledo and, as a consequence, the Federal Government can't count you in. How can you explain your criteria to these people excluded in the other counties?

Mr. DAVIS. Well, sir, by the very nature of the pilot operation we had to pick and choose, and we had to try to get as good a sample as we possibly could within the pilot concept. We were concerned in Lucas County with getting a large urban experience. We got that

through one county. We realized that around all of these project areas there are other counties that would like to participate. The only answer at this point is that on the pilot basis, on the basis of that, it can only be extended to a very limited area and then on the basis of rounding out a good sample for experience. It was partially because of the interest of these adjoining counties in various areas that watched the operation and liked it and saw it work that the decision was made to request permanent legislation to expand the program.

Mr. LATTA. Have you ever thought of the idea of including the counties adjacent to metropolitan areas? It seems to me that since they are in the metropolitan area, they should be included and a county line should not exclude them.

Secretary FREEMAN. You are right. It is just a question of making a hard decision. I might say that we have the same problem in relation to Pittsburgh and Allegheny County. Allegheny County has been raising a little fuss with the Secretary of Agriculture, because we picked Pittsburgh and not the rest of it. We had to do that for the reason that Mr. Davis has given. That is the reason why I hope this program can be made available.

Mr. LATTA. As I understand it, for example, a family that is spending \$30 for food when they should be spending \$60 will get \$60 worth of stamps under this plan.

Secretary FREEMAN. That is correct.

Mr. LATTA. Well then, is it not possible for some to sit down and not desire to earn a couple of more dollars when they get \$60 worth of these stamps anyway? They get them whether they contribute \$50 or \$30.

Secretary FREEMAN. I do not think that the difference is that great, No. 1. Although some people might figure that way, I think that most people would not figure that way and would seek to expand their income much beyond that amount.

Mr. LATTA. I understand that you have an eligible list of commodities which may be purchased with these stamps?

Secretary FREEMAN. Any commodity can be purchased with those.

Mr. LATTA. What does this language mean on the back of this food stamp?

Secretary FREEMAN. What is meant is that in a pilot program any items that were on the shelves could be purchased, but not any imported items.

Mr. LATTA. That would rule out caviar then?

Secretary FREEMAN. That would rule out caviar.

Mr. TEAGUE of California. They would have to buy domestic caviar.

Mr. DAVIS. Domestic sardines, too.

Mr. LATTA. The only commodities that can be ruled out under the pilot project are imported items?

Secretary FREEMAN. Under the bill as it stands no commodity would be ruled out. The reason for changing that is that we have found, administratively, that the percentage who would purchase what would be imports is so small that it would be a much greater cost and administrative burden to have that. So I guess that your Russian caviar would be back in the ball park.

Mr. LATTI. I understood that there were only certain commodities that you could purchase with these coupons. But now any food—and I put emphasis on “food”——

Secretary FREEMAN. That is correct.

Mr. LATTI (continuing). Can be purchased?

Secretary FREEMAN. That is correct.

Mr. LATTI. And a person who uses wine in cooking could not buy a bottle of wine?

Secretary FREEMAN. Not wine or beer or alcohol.

Mr. HOEVEN. Will the gentleman yield?

Mr. LATTI. Yes.

Mr. HOEVEN. What about coffee, tea, and cocoa—they are imported?

Mr. DAVIS. Under the pilot operation the way we are operating now our regulations provide that they can buy any food for human consumption except alcoholic beverages, tobacco, coffee, tea, cocoa as such, bananas, and any food that is clearly indicated on the package as being imported. The reason for the latter is that the checkout clerk or the grocery manager cannot be expected to know where all of the ingredients in some of these combination foods might come from. As a matter of fact, they may not even know on some fruits and vegetables where they came from. So it is any imported food where it appears on the package. All of which are produced outside of this country, such as coffee, tea, and so forth.

Mr. HOEVEN. Will the gentleman yield further?

Mr. LATTI. Yes.

Mr. HOEVEN. What are the restrictions—what can they not purchase?

Mr. DAVIS. Alcoholic beverages and tobacco.

Mr. HOEVEN. And he can buy Polish hams?

Mr. DAVIS. He could; yes, sir.

Mr. HOEVEN. Thank you.

The CHAIRMAN. I do not mean to be complaining, but how can you justify the use of section 32 funds to carry on this program? When section 32 was enacted it was never contemplated that you would use those funds for any such purpose as you have indicated they have been used.

Secretary FREEMAN. I would respond to that, Mr. Chairman, to say this: that the items just referred to are excluded now; in other words, coffee, tea, and Polish ham, so to speak, and Russian caviar, et cetera, are excluded because this program is under section 32. The proposal is, now that we have come to the judgment, after working with this program, that under new legal authority the amount of such items is so minimal as compared to the problem of enforcement and education which would be costly that on balance it would be better not to have this exclusion.

The CHAIRMAN. Is that one of the reasons you support the bill?

Secretary FREEMAN. That is the reason for that provision in that bill; yes, sir; that is right.

The CHAIRMAN Mr. Gathings.

Mr. GATHINGS. On page 2 of your statement, Mr. Secretary, you state:

We know that, because low income, unemployment, old age and physical disability, some 13 percent of the American people have serious nutritional shortages.

I am wondering what percent of this 13 percent is more in need for nutritionally added foods than others. Are they the unemployed, the old age or what, the physically handicapped—who are they—who is more in need of these foods as you have listed it on page 2?

Secretary FREEMAN. I think that question could only be answered in terms of the particular place you are talking about. This is, obviously, an estimate based on nationwide studies that, roughly speaking, 13 percent of the people of this country are in that situation. Some areas in the country do not have any direct relief program. And if there is a man who is physically able to work he cannot get any relief for the family whether unemployed or not. Some States do have programs. Some areas have an assistance program for the aged. And it is relatively a generous one. In some areas it is a limited one. This varies around the country.

One of the advantages of the program in question is that it is being administered by the local people and this would mean that this program's application would be such that it would be adjusted to the particular needs of the given area by those people. But the requirement, and I would emphasize this very strongly, that this is for food and is directly related to the surplus disposal program.

I would want to say quite frankly that some welfare officials around the country have been somewhat disillusioned with this program. They have thought this requirement of having in a sense to buy these stamps was a rather harsh restrictive measure. They have thought that if the stamps are made available for food that it would either increase the money that these people have for other things or it could decrease the money that would be spent for relief processes by the local people; and, therefore, they have expressed some concern about it, but that very fact that we have insisted that it be used for food relates directly to the point that was very properly made by the chairman and by Mr. Hoeven that in these programs—I hope you will excuse me, Mr. Gathings, for taking off on this question, but I want to make this point quickly and get back to your question—it gets right back to this which permeates a lot of the things we do. May I just simply say this, first of all, I could not agree more with what has been effectively said here and that we ought to state every time that we can that there are a lot of things charged to agriculture that are not for the farmer's benefit directly. Also, we do have this tremendous productivity of agriculture which creates a lot of economic problems that we try to wrestle with, but to the extent that we can meet those problems and use this food for a related purpose, as we do here, I know that the members of this committee want to do so.

Now if we in these problems turn over the administration of this program to the Department of Health, Education, and Welfare with this program where direct distribution is concerned, or in the case of Public Law 480 turn it over to the State Department, if you will, then the relationship to the economic part of agriculture will become, I fear, diluted and I do not speak critically. To close, if you will forgive me again for this dissertation, in response to your proper question (a) this is a nationwide average figure: (b) the groups that would have the lowest food intake among those named would vary in different places around the country.

Mr. GATHINGS. Now the wholesalers and retailers in our part of the country are interested in this program as such a large number are on

relief rolls. We have a situation in this part of Arkansas where 40 to 45 percent of our people are participating in the commodity program, particularly during the winter months and the early spring months. Someone wrote me:

Why is it that here in our own county you cannot get people to work on the farms?

Agricultural people are going to the cities. We cannot get help when we need these people so badly on farms to cultivate and harvest our crops. Our farmers would like to have some of these people who are drawing these commodities who will work. And that they would enter into community responsibilities and pay some taxes, as do the other 50 to 55 percent of the population.

That is the situation that exists in my part of the country. We have to send all the way to Mexico to get labor to help in our strawberry harvest and in our cotton harvest.

I get that story in the mail frequently from my people with regard to these programs. You will find that those on the eligible rolls like it fine. They like the food program. I am talking about the recipients, the people that are drawing these commodities.

Mr. TEAGUE of California. Will you yield?

Mr. GATHINGS. I yield, yes.

Mr. TEAGUE of California. It occurs to me that if we are to enter into a program like this, that we might consider offering an amendment to include cotton. I understand that the cotton industry is in a very great predicament. Why should they not use these stamps to get good cotton clothing?

Mr. GATHINGS. A mattress was in effect several years ago.

The CHAIRMAN. Mr. Jones?

Mr. JONES of Missouri. Mr. Secretary, do I understand that when this pilot program is put into effect, that the commodity distribution program will stop?

Secretary FREEMAN. In most places this would follow; yes.

Mr. JONES of Missouri. What I was wondering about was this, about the utilization of surplus commodities. Through the commodity distribution program we have distributed rather large quantities of certain grains. When you put the food stamp program into effect, the chance is that those people, instead of eating butter, as they have through the commodity program, will eat margarine, that the people will spend their money buying the favorite spread.

Are you not in those instances defeating the purpose of getting rid of these surplus commodities? Would that not have that effect?

Secretary FREEMAN. I think not. Our studies would indicate that these same people might eat less butter, but they drink a lot more milk.

Mr. JONES of Missouri. Another thing. Who makes the selection of the retail outlets in the community where these food stamps may be redeemed?

Secretary FREEMAN. The various retailers are certified for the program by the Department of Agriculture.

Mr. JONES of Missouri. What criteria do you use in selecting those? In other words, say there are 25 stores in my hometown, how many of those would be eligible for this program?

Secretary FREEMAN. All of them.

Mr. JONES of Missouri. All of them would be eligible?

Secretary FREEMAN. All of them who wished to participate and indicated that they would comply with the regulations and live up to the criteria that are set down by the Department in administering that part of the program.

Mr. JONES of Missouri. I noticed in your statement that you said some were left out because they violated the regulations by selling other commodities.

Secretary FREEMAN. Yes.

Mr. JONES of Missouri. Does the person who is doing his shopping, before he starts to the checkout line, indicate to the cashier, "I am going to pay for this with food stamps?" Do they indicate that they do not have these other items?

Secretary FREEMAN. Generally he is alerted to notify the checker when he comes up that he would be using the food stamps so that the clerk in question be alerted to review the items in question.

Mr. JONES of Missouri. Well, now, let me see if I have this correct.

In other words, where you have put the pilot food stamps program into effect, you have found a fewer number of people have qualified for food stamps than did qualify for surplus commodities?

Secretary FREEMAN. That is correct.

Mr. JONES of Missouri. And therefore would there be less or more surplus commodities distributed in that area by virtue of the adoption of the food stamp plan?

Secretary FREEMAN. Well, it would be a little difficult to say exactly. Probably there would be less of some things and a good deal more of others. On balance, why, it would probably equate.

Mr. JONES of Missouri. Let me ask you this, then. Where you have put these pilot food stamp programs into effect, has that had effect on the operation of the commodity distribution to the schools or to the school lunch program or to the other programs where we have those?

Secretary FREEMAN. No, that continued as is.

Mr. JONES of Missouri. That has continued?

Secretary FREEMAN. Yes, and it would.

Mr. JONES of Missouri. That is all; thank you.

The CHAIRMAN. Mr. Hutchinson.

Mr. HUTCHINSON. Mr. Secretary, with regard to these food stamps, do they have individual names on them or are they payable to bearer, or what?

Secretary FREEMAN. They are payable to the bearer. Let us get one here to see.

Mr. HUTCHINSON. They are payable to bearer?

Secretary FREEMAN. Yes.

Mr. HUTCHINSON. I suppose that every one of them has a number. How are they accounted for by the Government?

Specifically, Mr. Secretary, are they reissued the same coupon over and over again?

Secretary FREEMAN. They are canceled and destroyed.

Mr. HUTCHINSON. They are canceled and destroyed?

Secretary FREEMAN. Just like wornout money.

Mr. HUTCHINSON. So that one coupon will be good only for one transaction?

Mr. DAVIS. Yes, sir; with one exception: We do allow them to use the 50-cent coupon for change; for example, coupons come in two

denominations, 50 cents and \$2. If they go in and have a \$2 coupon and that is all they have and they buy \$1.50 worth of food, the grocer is allowed to give them a 50-cent coupon back as change.

Mr. HUTCHINSON. But if the food item came to \$1.55, why then, the grocer would give them silver?

Mr. DAVIS. No, sir. The grocer is not allowed to give any money back for the coupons. If it comes to \$1.55, as in this illustration, the grocer would give that person a due bill for 45 cents, which would be good only for the commodities that the original coupons were good for; in other words, subject to the same restrictions.

Mr. HUTCHINSON. And the due bill then would be good only in that particular grocery store?

Mr. DAVIS. Usually, yes, sir.

Mr. HUTCHINSON. Is there any limit of time during which these coupons may be used—must they be used within a month, or can anybody just kind of put them aside and build up a stack of them?

Mr. DAVIS. There is no limitation on when they may be used.

Mr. HUTCHINSON. Then how can you be assured, Mr. Secretary, that the coupons are going actually to be used for an increased nutritionally adequate diet?

Secretary FREEMAN. Our projection on this is based on our studies and surveys of the communities in question.

Mr. HUTCHINSON. In other words, as a matter of fact, they do use them within a reasonable time?

Secretary FREEMAN. Yes, sir.

Mr. HUTCHINSON. For the purpose intended. They do not hoard them?

Secretary FREEMAN. They do not tend to hoard them. They move quite rapidly.

Mr. HUTCHINSON. Mr. Secretary, is this coupon issued only to someone who is on relief?

Secretary FREEMAN. Generally speaking, yes.

Mr. HUTCHINSON. Under the direct relief program?

Secretary FREEMAN. Someone who is certified according to the standards for assistance by the State and local communities.

Mr. HUTCHINSON. And these standards, according to the bill, Mr. Secretary, on page 5, says that each State shall establish standards to determine eligibility.

Secretary FREEMAN. Yes.

Mr. HUTCHINSON. So that these presumably are State standards?

Secretary FREEMAN. These are State standards.

Mr. HUTCHINSON. But at the end of the same paragraph, Mr. Secretary, it says that the standard of eligibility to be used by each State shall be subject to the approval of the Secretary of Agriculture.

Secretary FREEMAN. Yes, sir.

Mr. HUTCHINSON. Will the Secretary of Agriculture's approval be such as to seek uniformity throughout the country?

Secretary FREEMAN. No.

Mr. HUTCHINSON. Not uniformity?

Secretary FREEMAN. No. We would seek to move toward uniformity in terms of certification of eligibility on an overall comparable pattern. In terms of the amount this is going to vary a great deal with the background, the history, the pattern of activities in a given

community. And so, in effect, certification is based on a general overall assistance standard and the amount will depend upon local studies as to the pattern, history, et cetera.

Mr. HUTCHINSON. So you would seek uniformity on eligibility.

I ask you now, Mr. Secretary, in trying to arrive at those standards of eligibility where you might not run into conflict with the Department of Health, Education, and Welfare ideas?

Secretary FREEMAN. As a practical matter, no. They are seeking to move toward comparability of standards, generally, around the country.

And the certification as a factual matter is made by local authorities working with and under the overall joint Federal-State program.

Mr. HUTCHINSON. Other welfare programs, of course, are under the umbrella of the HEW?

Secretary FREEMAN. That is right.

Mr. HUTCHINSON. This would be under your Department?

Secretary FREEMAN. This has been discussed, I can assure you, very thoroughly with the Department of Health, Education, and Welfare. And in terms of certification, basically, the welfare people in the State perform that function. As to the purchase requirement, the studies as to food and food intake, and the rest—this we set and the amount of stamps are issued accordingly, based upon our analysis of the overall surplus, nutritional complex that we are concerned with.

Mr. HUTCHINSON. Mr. Secretary, the word “nutritional” suggests to me the idea that someone in the bureaucracy would be determining what was and was not nutritional, and I am curious to know whether in the administration of this bill, if it passes, your Department would begin to pass upon certain food items as compared with other items which should be emphasized and other items that should be forgotten.

Secretary FREEMAN. Not at all, except that the Department does conduct nutritional research. What takes place here is to determine the difference between the amounts that are being spent and the amounts that would represent a nutritional level. One of the advantages of this is that with more purchasing power the individual by his own choice buys more of the foods that provide better nutrition through the normal commercial marketing system.

Mr. HUTCHINSON. Thank you.

The CHAIRMAN. Mr. Johnson?

Mr. JOHNSON of Wisconsin. Do I understand you to say that the labels on the items show the foreign country of origin and if they are from a foreign country, they are not eligible?

Secretary FREEMAN. As the program is now being administered.

Mr. JOHNSON of Wisconsin. Mr. Hoeven inquired as to Polish hams.

Secretary FREEMAN. This restriction which is presently operating under the pilot program is not included in the legislation as has been introduced, because it was our conclusion that there was such a minimal amount of this and the administrative problem of enforcing it was rather substantial; therefore, it was better not to have this restriction. Under current law we apply it.

Mr. JOHNSON of Wisconsin. The restriction is not in the legislation before us?

Secretary FREEMAN. No, that is correct.

Mr. JOHNSON of Wisconsin. I cannot see where there would be much of a problem. For instance, with canned sardines you can tell where they come from—you can tell right on the can where they are made.

Secretary FREEMAN. The problem is one of a checkout system, with people doing the work and as to violations on balance. This is a question of judgment. This committee may very well want to carefully review that, but it would be our judgment that the volume is so small that the amount of administrative problems flowing from it would overbalance it.

Mr. JOHNSON of Wisconsin. The way merchandise is put out in containers today you can tell where they are made. Is that right?

Secretary FREEMAN. That is true.

Mr. JOHNSON of Wisconsin. I have another question—what is going to happen to the food stamp program if no legislation is passed?

Secretary FREEMAN. I do not know.

Mr. JOHNSON of Wisconsin. Would we go back to the other one?

Secretary FREEMAN. That has expired.

Mr. JOHNSON of Wisconsin. When did that expire?

Secretary FREEMAN. I think in January of 1962, Mr. Davis tells me.

Mr. JOHNSON of Wisconsin. That is all.

Thank you.

The CHAIRMAN. Mr. Latta?

Mr. LATTI. I have one more question, Mr. Secretary.

When welfare officers issue relief orders to recipients, they take the orders to the grocery store and purchase commodities. Usually the buying of alcohol is prohibited as well as tobacco?

Other than using section 32 funds for this food stamp program, what is actually being accomplished by it that can not be accomplished through our regular relief program that we now have?

Secretary FREEMAN. Well, very frankly, there is not any direct Federal assistance on relief.

Mr. LATTI. I mean if we gave the assistance to the States?

Secretary FREEMAN. And the only thing that we accomplish is that in most States as a practical matter the amount of food forthcoming to the people on relief is a lot less than they are going to get under this system.

Mr. LATTI. The fact is though that we are actually giving direct Federal relief assistance by using section 32 funds.

Secretary FREEMAN. We are giving them direct Federal assistance to buy food, yes.

Mr. LATTI. If we increased the amount of the relief orders that are now given so they could increase the purchase of commodities—increase the \$40, for example, to \$60, with a direct Federal payment—we could accomplish the same thing without using the coupon book.

Secretary FREEMAN. If you provided that the increase from Federal funds would be used only for food.

Mr. LATTI. Right.

Secretary FREEMAN. Then you could accomplish the purpose, but what this does—and I would come back to this again—the dual objective we seek to reach is that it will both increase consumption of food which is a dual purpose important to American farmers and

agriculture and the problem of surpluses and production and to solve a social purpose at the same time. That is what this is designed to do.

Mr. LATTA. Thank you.

The CHAIRMAN. Mr. Matthews?

Mr. MATTHEWS. I want to say this off the record.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. Back on the record.

Mr. LEGGETT. Secretary Freeman, is there any attempt to apportion benefits by States under this program?

Secretary FREEMAN. No.

Mr. LEGGETT. Would not the effect of it be to help the States that are least helping themselves?

Secretary FREEMAN. Not necessarily. It would depend upon what States responded expressing a desire for a program and a willingness to provide the necessary administrative machinery to get the program done.

Mr. LEGGETT. I am concerned about a State like California that traditionally has provided a very high level of welfare benefits for both unemployed and aged and disabled and blind, and so forth. Would a State like that qualify for its fair proportionate share of funds under the program?

Secretary FREEMAN. I think certainly it would, as it would qualify under any other program that is related to the problem of people in the lower income groups. I would add that where California is concerned a good deal of its agriculture would be benefited by the expanding consumption of a lot of things that California produces.

Mr. LEGGETT. Let me ask you this question—can a recipient benefit twice under this program; for instance, can a recipient both receive aid to needy children or totally disabled and take that cash and qualify for this program and turn that in for food stamps and then receive more benefits?

Secretary FREEMAN. Yes. The consideration in this would be this—you take a family that has \$100, say, aid to dependent children, under the local standards that \$100 is received and of that amount the family could afford to spend only \$20 for food. That is the basis on which the decision was made as to how much they would get. It varies all around the country, of course. But that study showed that they ought to have \$50. They could take the \$20 they had been spending for food out of the \$100 that they would get and they could use that \$20 to purchase, in effect, \$50 worth of coupons which would then have the effect of expanding their diet to an adequate level and, accordingly, increasing the consumption of food stuffs.

Mr. LEGGETT. Does your office maintain statistics as to the number of current recipients on the pilot programs, whether they do qualify for aid in the various categories, both State and Federal?

Secretary FREEMAN. Yes; we have pretty good data on that.

Mr. LEGGETT. Thank you.

The CHAIRMAN. Mr. Beermann?

Mr. BEERMANN. Mr. Chairman and Mr. Secretary, Government price support programs have caused several basic commodities to depend mainly on Government or Commodity Credit Corporation for their production price to producers. There are price supports to pro-

ducers. Now, they are asking for compensating payments to handler, processor or the manufacturer. In expanding the proposed stamp plan program, would you not get less criticism by specifying that these coupons shall be used for products made from peanuts, rice, tobacco, milk, cotton, wheat and feed grains, to regulate the retail price to consumers?

Secretary FREEMAN. That is quite a question. Could you repeat it?

Mr. BEERMANN. The Government is paying the producer what you or the members of your staff in the U.S. Department of Agriculture figure is a fair price, and because of these programs you are asking for compensatory payments paid to someone to offset the higher cost of cotton cloth, butter, or other products.

Now we are going the whole route by giving the coupons to people who need these products. And I wonder if you would get less criticism on this program if you specified that these coupons shall be used specifically for those commodities the Government is supporting to the producers?

Secretary FREEMAN. I think not. Actually, the items that are in most prominent surplus—and any number of items are at one time or another—and some have no price support programs at all, as you are aware, but it is pretty difficult to go back to the dates of a given commodity and relate it to the end product.

As I said earlier, wheat or feed grains are in heavy surplus, although we are making a little progress. They are very heavily used for many of the items that would be purchased under this program.

I think any effort to wrap this up into a tight package of this commodity in surplus and that commodity to be purchased is not the purpose or design of this proposal.

And, of course, the experience under the old food stamp program proved to be almost impossible. And that is where most of the criticism came from.

Mr. BEERMANN. Do you not see that problem coming into this one?

Secretary FREEMAN. No. We have proceeded very carefully and methodically. There has been a minimum of violations. Generally there has been broad support, and we feel that this program has worked extremely well.

We have standards we proposed very carefully, and we propose to administer it very practically, to avoid some of the mistakes we have had in the past.

Mr. BEERMANN. I think this question borders on a couple of questions covered by another member. The person who is getting price support for feed grains or wheat or tobacco or cotton or whatever it may be, if they are not getting enough to live properly, can they apply for coupons?

Can they also get coupons?

Secretary FREEMAN. Everybody gets price support on their commodities under the price support programs, because price supports apply to all of the commodity. If you raise wheat, and so long as we have price supports, you get a price support, because that keeps the market price up, whether you take a loan or not.

Mr. BEERMANN. As to these prices—

Secretary FREEMAN. This is what we have gotten under the direct distribution program. But in this instance, why, we feel that we do better by way of wheat, as well as by other things, in effect,

converting them into items that use more than the cereals, and by the same token, contributing more to the relief of the recipient.

The CHAIRMAN. Mr. Findley.

Mr. FINDLEY. I understand from your statement that the stores which participate experience a gain in business.

Secretary FREEMAN. Yes, sir.

Mr. FINDLEY. The President has been giving a lot of attention to segregation recently. I was wondering whether in the operation of the pilot food stamp program you limited it to stores which are racially nondiscriminatory?

Secretary FREEMAN. No.

Mr. FINDLEY. Would you object to language in this bill that would limit the operation of the program to the stores which operate on such a policy?

Secretary FREEMAN. I think that there is a provision in relation to this in the bill now.

Mr. FINDLEY. It would limit the program to stores that operate under such a policy?

Secretary FREEMAN. In terms of receiving the stamps, the certificates, they are to be made available without regard to race, creed, or otherwise.

Mr. FINDLEY. Similar to the welfare part?

Secretary FREEMAN. Yes.

Mr. FINDLEY. How about the store itself—do you limit the programs to stores which operate on a racially nondiscriminatory basis? That subject has been in the papers a lot of late. I notice that the President would like to end segregation. Would this not be a way to put a financial incentive into this, moving toward a nondiscriminatory basis in the operation of grocery stores?

Secretary FREEMAN. As a practical matter, this is not necessary, because the recipients are free to go wherever they wish to purchase. And they take care of this pretty well themselves.

Mr. FINDLEY. Would you object to language which would limit this to stores which operate on a nondiscriminatory basis?

Secretary FREEMAN. I think that language is unnecessary.

The CHAIRMAN. Mr. Secretary, we appreciate your coming here this morning and we thank you very much.

Secretary FREEMAN. Thank you, Mr. Chairman.

The CHAIRMAN. I want to insert into the record a letter received by Mr. Stubblefield, dated January 29, 1963. Without objection, it will be made a part of the record at this point.

(The letter follows:)

HOPKINSVILLE MILLING Co.,
Hopkinsville, Ky., January 29, 1963.

Mr. FRANK A. STUBBLEFIELD,
House Office Building,
Washington, D.C.

DEAR MR. STUBBLEFIELD: We would like to urge your support of legislation which might be in Congress or in any committee of yours to extend the food stamp plan more universally in our country.

As you know, we have favored this personally for some time and felt that the present method of distributing foods of various kinds for domestic relief was very unfair to established channels of trade. Reports on the pilot plan of the

food stamp plan have all been favorable, and we hope you can give the legislation along this line your full support and favorable vote so that we can get away from the present method.

Yours truly,

FRANK YOST, *President.*

The CHAIRMAN. We will next hear from our colleague, Mr. Charles Mathias of Maryland.

STATEMENT OF HON. CHARLES McC. MATHIAS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. MATHIAS. Mr. Chairman and members of the committee, I appreciate the opportunity to testify very briefly in support of the idea of a national food stamp program.

I have been sitting and listening with great interest to the testimony of the Secretary of Agriculture, and so I feel that it will be unnecessary to say much of what I would have said.

I have noticed that the committee is alert, from the questions that have been asked, to the proposition that this program should be directed primarily to the consumption of U.S. food supplies and that it should be directed to the availability of the essentials of life. Also I am sure that the committee is going to take into consideration the question of a proper Federal-State relationship which was suggested by the gentleman from Ohio, Mr. Latta.

I noted that many of the witnesses who will follow me will discuss the humanitarian aspects of this bill. I am certainly in sympathy with and fully cognizant of these humanitarian aspects. I know that many will also dwell upon the bill as a vehicle for the disposition of surpluses, and I think this is an important aspect of it. I am going to discuss neither one of those aspects, but direct my attention to one or two very limited areas.

In the first place, I think that if we are going to have a food stamp program it must be a national program. I have the experience which has apparently been shared by some of the members of the committee of representing a district which is adjacent to districts which participated in the food stamp program but which were themselves excluded. I know the problems that this can create, the difficulties in explaining it, even though we were dealing with a pilot program as opposed to a national program. Therefore, I think that if we have this program—and I hope that we do—it will be a national program.

Now, Mr. Findley in his questions has really pinpointed one thing I wanted to contribute today. I am advised that where the food stamp program has been in effect, there has been an 8-percent increase in retail food sales in stores surveyed in the eight initial pilot areas.

Conversely, in areas where the existing government donable food programs has been in effect, there has been a detrimental effect on business.

I have some figures which relate to an area near the city of Washington which show that as the giveaway program of flour has increased from 1946 to 1962, the typical sales of the flour milling industry have decreased. I know of one instance where a business of this sort has

lost in hundredweight sales annually of wheat products as much as the giveaway program has distributed in the Washington metropolitan area.

Now, under these circumstances, I believe that the existing program of giving away surplus food is probably not decreasing the surplus very much, because what you are giving away apparently has some direct effect on what would be purchased otherwise.

I believe that it is entirely possible that this food stamp program would increase the sale of farm products through normal channels. I am very much interested in this, because I think that the millers, the retailers, the people who handle farm products, will benefit if the food can be handled through normal commercial channels, rather than through the giveaway program.

As I understood the Secretary's testimony, this was the burden of much that he said in confirms what I have been told and I am delighted to hear it. I think this is a good reason for supporting the food plan bill. It gives relief to people who need help on humanitarian, economic grounds, but more than that, it does it in a way which does not disrupt normal commercial American business. And I am sure that the committee will hear more testimony on this point. I hope that it confirms the information I have been given.

In this connection, I would like to submit a study of the quantities of wheat flour donated to domestic outlets from the years 1956 to 1962 which I think will help support the contentions I have made.

The CHAIRMAN. You may supply that for the use of the committee. It would be too expensive to put into the record.

Mr. MATTHIAS. Thank you, sir.

(The document entitled "Quantities of Wheat Flour Donated to Domestic Outlets in Hundredweights" will be found in the files of the committee.)

Mr. MATTHIAS. I appreciate the committee sitting overtime at this point. I am going to limit my remarks.

There has been a considerable interest in the question of a national food stamp program as it might apply not only to farmers of the area that I represent, but, also, as it might apply to the city dwellers and, specifically, to the city of Washington. I would like to add to my testimony, Mr. Chairman, the editorials which have appeared in both the Washington Evening Star and the Washington Post expressing a desire for further study of the food stamp program.

The CHAIRMAN. Without objection, they will be included in the files of the committee.

Mr. MATTHIAS. Again, I thank the chairman and the members very much for giving me this time.

The CHAIRMAN. We thank you very much, Mr. Mathias, for your appearance.

The committee stands adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 12:20 p.m., the committee recessed to reconvene at 10 a.m., Tuesday, June 11, 1963.)

FOOD STAMP PLAN

TUESDAY, JUNE 11, 1963

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to recess, at 10:25 a.m., in room 1310, Longworth House Office Building, Washington, D.C., Hon. Harold D. Cooley (chairman) presiding.

Present: Representatives Cooley (chairman), Poage, Grant, Gathings, Johnson of Wisconsin, Matthews, Stubblefield, Hagan of Georgia, Purcell, Rosenthal, Hoeven, Dague, Belcher, McIntire, Teague of California, Short, Latta, Harvey, Dole, Beermann, and Hutchinson.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John J. Heimburger, counsel; Robert Bruce, assistant counsel; and Francis LeMay, consultant.

The CHAIRMAN. The committee will be in order.

We will be glad to hear from you now Mrs. Sullivan.

STATEMENT OF HON. LEONOR K. SULLIVAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mrs. SULLIVAN. Chairman Cooley and members of the committee on Agriculture, as the sponsor of the Kennedy administration bill to authorize appropriations for a nationwide food stamp program, based on the pilot plans now in operation in about three dozen areas of the Nation, I appear here this morning to urge favorable consideration of my bill as you begin hearings on H.R. 5733.

But as a longtime associate of the chairman of this committee and of many of its members, in enactment 4 years ago, of the first legislation ever passed by Congress to authorize a food stamp program—the amendment I offered to Public Law 480 in 1959—I want to express my personal appreciation for the humane consideration shown by this committee for needy Americans who are unable to afford a decent diet.

The new bill, H.R. 5733, is necessary to replace the temporary 2-year authorization of funds approved in 1959, but never included in the budget by the Eisenhower administration which opposed the food stamp idea. The Kennedy administration, instead of proceeding in 1961 under the about-to-expire authorization contained in the 1959 act, decided to experiment with a more complex program, but on a very limited pilot plan basis, under section 32. No special authorization legislation has been necessary in order to use section 32 funds in the limited pilot operations. It has always been my contention—and particularly during the years I urged the Eisenhower ad-

ministration to at least try the food stamp idea as an alternative to direct surplus food donations to the needy—that section 32 was broad enough to cover such a project. Apparently, no one disputes it at this point, and the House, last Thursday, wrote into the agricultural appropriation bill a specific clause earmarking up to \$40 million of section 32 funds for current food stamp pilot operations.

But \$40 million would not begin to cover the cost of a nationwide food stamp program. The Secretary of Agriculture estimates the probable cost of a nationwide program at about \$360 million—adding, however, that large savings would be made elsewhere in the budget by substantial reductions in the costs of distributing surplus foods under the direct donation program.

The question before you is whether the food stamp plan of distribution is preferable to the direct distribution system. The experience in the pilot plan areas proves that it is preferable, without any doubt whatever. I was interested to see—perhaps “amazed,” or even “amused,” might be a better word—that one of former Secretary Benson’s chief brain-trusters in the Department, Prof. Don Paarlberg, has just written a report to the American Enterprise Institute which acknowledges that the present food stamp plan is far preferable to the direct distribution plan if you are going to have any surplus food plan to aid the needy. Since he insisted, while under Mr. Benson, that the direct distribution plan was wonderful, and a food stamp plan abominable, I can only conclude that there has been some retroactive improvement in wisdom in his thinking as one of the former administration’s agriculture experts.

Actually, the pilot food stamp programs have proved an outstanding success in assuring well-rounded diets for families unable to afford even a minimum standard of living at the dinner table. The enthusiasm of the public, of the food industry, and of the needy who are assisted, in areas which have qualified for the plan, is indeed heartening to all of us who have worked for this idea over the years.

The food stamp plan is by no means utopia on a handout card. For those who qualify, and who receive any income at all, a monthly payment must be made to purchase stamps, covering the full amount that such a family could reasonably be expected to spend for food. If anything, this regulation has been administered overstrictly, at least in some areas, where not enough attention was paid to high prevailing rents, and to other unusually high essential living costs, including medical costs. But, thanks to some plain, old-fashioned congressional scolding, I think the necessary redtape has now, at least, been tempered with some absolutely necessary human understanding. For instance, the institution of the plan in my city of St. Louis caused many who previously received surplus food donations to refuse to go along with the food stamp plan because they found the purchase requirements far too stringent.

I have investigated individual complaints and found that some were justified, some were not. There must be flexibility in administration of any complex program of government.

But, as so many of our colleagues will tell you about the food stamp pilot plans now operating in portions of their districts, the plan does work, and works exceptionally well to bring decent, American-standard, nutritious, enjoyable diets to families long denied such a bless-

ing—people who previously went hungry in a country where we have such abundances of food they cause us all kinds of agricultural woes. Let us use this method to improve the diets of those who cannot afford adequate meals, who are deprived of red meat and fresh eggs and fresh milk and fresh vegetables and who live, instead, on the cheapest and most filling foods regardless of calorie content and adequacy of nutrition.

The food is here; all of us prefer to see it eaten rather than stored or powdered or dehydrated or destroyed. The food stamp plan is a workable, effective method of getting good food and needy Americans together at the dinner table, where the rest of us can be found every day in the year.

I ask permission, Mr. Chairman, to file for the record some background material on H.R. 5733 and the comments of some of our colleagues who have written to me in strong endorsement of this bill, and who want food stamp plans instituted throughout their own congressional districts. Thank you.

The CHAIRMAN. Thank you very much for the fine statement that you have given us and for the information contained therein. The additional information will be made a part of the files of the committee.

(The information referred to above is an excerpt from the Congressional Record, Apr. 22, 1963, pp. 6281–6293, and may also be found in the committee files.)

The CHAIRMAN. Are there any questions, Mr. Hoeven?

Mr. HOEVEN. Mrs. Sullivan, I take it that you would like to have your bill considered on a nonpartisan basis?

Mrs. SULLIVAN. I certainly would.

Mr. HOEVEN. If so, why do you appear before us and try to make this a partisan issue?

Mrs. SULLIVAN. You mean by mentioning Dr. Paarlberg?

Mr. HOEVEN. In your statement you voice criticism of members of the Eisenhower administration which, in my judgment, is completely out of order. Is there any need for you to attack the previous administration?

The CHAIRMAN. I believe that Mrs. Sullivan was pointing out that there has been a change of mind on the part of Dr. Paarlberg.

Mrs. SULLIVAN. I merely—

Mr. HOEVEN. I hold no brief for Dr. Paarlberg, but when the lady says, in referring to Dr. Paarlberg:

Since he insisted, while under Mr. Benson, that the direct distribution plan was wonderful, and a food stamp plan abominable, I can only conclude that there has been some retroactive improvement in wisdom and thinking on the part of at least one of the former administration's agriculture experts.

Do you want that statement to remain in the record?

Mrs. SULLIVAN. Yes, in view of the fact that he has written an article on subsidized food consumption.

Mr. HOEVEN. You apparently have not learned how to win friends and influence people. No further questions.

The CHAIRMAN. I understood the statement to mean that Dr. Paarlberg had changed his thinking on this controversial subject.

Mrs. SULLIVAN. I hoped that my words would convey that, Mr. Chairman. I can appreciate that there is a difference of opinion.

The CHAIRMAN. I know that I was interested in trying to get an answer to this problem, and with your help and the help of others, finally, we got the program underway. I have regarded it as a non-partisan program. You know that I fought for the food stamp program, the first one, and the last one.

Mr. Matthews.

Mr. MATTHEWS. I want to thank Mrs. Sullivan for her tremendous interest in this program and to say how much I appreciate it. And I, certainly, agree with the need for this program. As you have so well brought out, it brings richer diets to our people and it is easy to administer.

There is just one little thought that I would appreciate your considering. Do you feel that we should now decide between the food stamp plan and the direct distribution plan?

In your opinion, might there not still be a place for both of these programs? What I had in mind was this: As an example, in my own State of Florida, when you have a tremendous freeze, or you may have a hurricane in some other part of the country, or you may have some other catastrophe that would make necessary the direct distribution of considerable quantities of food. I do not believe that you would want to go the entire step to do away with the direct distribution system. I wonder if you would comment on that.

Mrs. SULLIVAN. Well, I believe, Mr. Matthews, it would not work as well to have two systems. We have had this direct distribution system now for a number of years. I think the arguments that were used against it, ever since I appeared before this committee in 1954, are still valid. In letters to me many of the Congressmen bring out the fact that people have to stand in line to receive this food once a month under all kinds of weather conditions, and so forth, and it has not been a very—maybe “dignified” is not the word to use, but when you receive charity you still have some dignity, and you do not want people to lose that and to have to stand in line and gather this food as they do once a month. That has been very, very hard for older people and the handicapped, particularly.

I think that in a temporary situation where an area may be in distress because of some of the conditions you have mentioned, they could bring surplus food shipments temporarily and when the emergency is over, discontinue the distribution. But the food stamp plan is for regular day-by-day shopping for food and not an emergency distribution in time of disaster.

Mr. MATTHEWS. I do not believe that our thinking is very far apart. I just do not feel that we should do away entirely with the direct distribution plan. I think I agree with everything you said about the advantages of the food stamp plan.

Mrs. SULLIVAN. Thank you.

Mr. Chairman, I would like to say that I do not mean to make this partisan. I think the members who have worked with me over the years know that I have tried not to make this legislation a partisan thing. But because of the fact that Dr. Paarlberg wrote this article that was published just recently I felt I should mention it. It is a complete reversal of his previous stand. I think that many of the members who have been here since 1954 and have sat on this committee year after year in the hearings on food stamps know that it has always been, maybe not bitterly but heartily opposed by the previous admin-

istration. It was never necessary, they said, and it was not a good plan. And Dr. Paarlberg was one of those who definitely stated that the direct distribution system was much better—if you had to distribute food at all—and when I saw this article I thought that it was significant and should be noted. I do not mean to be partisan.

If there was a suggestion of partisanship in the comments that followed the mention of this article in my statement, I would be happy to delete that from the record.

The CHAIRMAN. You do just what you choose about that—you can take it out or leave it in.

Mrs. SULLIVAN. There is one thing in the bill that I want to bring out, Mr. Chairman, and I would like to call the attention of the committee to it. I really think that it should be amended. On page 2, lines 19, 20, and 21, under "definition," section B, the term—

"food" means any food or food products for human consumption other than alcoholic beverages and tobacco.

This program is supposed to help our own agriculture. I do not think that we should allow people to buy food that is imported unless it is not grown here. Under the present program that is the rule. Some of the people who have written me, complain that they were not able to buy coffee, tea, or bananas under the food stamp program, as it now operates, because these were completely imported food products, those three items. And there may be others, but those three are the most common ones, to my knowledge—that is coffee, tea, and bananas—which are imported and not produced here, and which most people want. But I would not include all imported foods, therefore, I would suggest we change the definition in this bill to apply only to food that is processed and grown here, with possibly the exception of the three items I mentioned, plus perhaps any others which are not available domestically.

The CHAIRMAN. Mr. Teague mentioned Russian caviar and Mr. Hoeven pointed out that it might include Polish hams.

Mrs. SULLIVAN. Yes. We have enough hams in this country, that if they want ham they can buy our own products. I do not think that they will buy caviar, but, nevertheless, I know that bananas are an important part of the diet, especially of children and they have not been able to buy bananas, or coffee or tea, so that if the committee would give consideration to that, maybe there would be some way to amend the bill satisfactorily.

The CHAIRMAN. Mr. Poage.

Mr. POAGE. A question was raised yesterday which seems to me to be a practical one. I know, for example, that hamburger meat is one of the commodities that you expect this to cover. Many hamburgers in the United States today contain some kind of imported meat—it is not all beef—some of it is mutton—it is mixed in with the other ingredients. And if you covered such items, you would be eliminating a great many items that you want to include.

Mrs. SULLIVAN. You are telling me something, Mr. Poage, that I really did not know. I know that imported meat comes in, however, I did not know it was ground up as hamburger.

Mr. POAGE. There has been considerable importation of canned beef which goes into hamburgers. We have also heard about mutton importation. I am not talking about spring lamb.

I am talking about mutton and, of course, most of it is domestic. Nobody is buying mutton in the United States, as such, but when they put it into hamburgers, it is perfectly nutritious, although it is not as good as if you were buying round steak.

The CHAIRMAN. Mr. Teague.

Mr. TEAGUE of California. I gather that you hope that if this plan is expanded it will make possible the eating of more fresh fruits and fresh vegetables?

Mrs. SULLIVAN. That is right.

Mr. TEAGUE of California. I should like to suggest that as a result of the action that the House took several weeks ago in denying to the farmers of this country supplemental labor help, that there will be a decided shortage of fresh fruits and fresh vegetables and prices will be very much higher and there will be times of the year when they may not be available at all. I would hope that you would be non-partisan on this issue, and if it should come up for consideration again that you would take another look at it and that you would be as objective then and as fairminded as Dr. Paarlberg was and, perhaps, you and other sponsors of this food stamp plan might give some thought to changing your vote on this bracero program.

Mrs. SULLIVAN. You have touched on a very tender spot, because I thought that I was being shot at one day because of my vote on this issue.

I realize its importance in your area.

The CHAIRMAN. Are there any further questions?

Mr. LATTA. Yes, Mr. Chairman. I have one.

The CHAIRMAN. Mr. Johnson is recognized first.

Mr. JOHNSON of Wisconsin. If I understood your suggested amendment you would not object to having in the legislation anything whereby the item could be identified by the checkoff person that the food was from a foreign country and should not be allowed to be purchased with food stamps. So far as hamburgers are concerned, I think that there is no label there whereby you could tell as to the origin of the ingredients. I am afraid that if we put things like that into the bill we will get one that will be too hard to administer. But when a can says that the contents were made in Norway or in Poland or in Germany there will not be any trouble in identifying it to rule it out.

The CHAIRMAN. Mr. Latta.

Mr. LATTA. Mrs. Sullivan, on page 4, section 5(a) it states:

Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

That is a pretty broad definition of "eligibility." I am wondering whether or not a person receiving social security payments would be eligible to receive benefits under this?

Mrs. SULLIVAN. Yes, if their income was under the level that is set up under these regulations they would be eligible. I want to tell you—

Mr. LATTA. What regulations are these?

Mrs. SULLIVAN. The regulations are set out by the Department of Agriculture in conjunction with the State and local welfare agencies. They base eligibility on income limits related to the size of the family. Generally all of those who receive any kind of financial assistance

would be eligible for the stamps, but other families are also eligible if their incomes are within the limits set for different size families.

May I cite one of several instances that happened at home? There was 1 family with 12 children. The husband was working. They received no aid whatever from any welfare program. But his salary was, I think, around \$350 a month. Anyone under \$350 a month with 12 children is having a difficult time clothing and feeding and caring for those children when they get no welfare assistance at all. Those people, in fact, came to me. I talked with the welfare office to see if, under the regulations, people like that would be qualified for stamps. They have set up income qualifications based on the number in the family, the income of the family and so on. If they met the criteria they would be eligible for a certain percentage of additional food purchasing power through food stamps.

Mr. LATTA. What you are saying is that they do not have to be welfare cases?

Mrs. SULLIVAN. They do not have to be a welfare case.

Mr. LATTA. Then a person on old-age pension would qualify?

Mrs. SULLIVAN. They can qualify.

Mr. LATTA. This is at the discretion of the welfare officer who happens to be handling the case, is it?

Mrs. SULLIVAN. In St. Louis the State welfare office worked with the Department of Agriculture to set up these requirements, and the Department of Agriculture had to approve the standards set. We found the original standards so rigid that many people who had received free food before could not receive extra food now. For some, their income was too high. For others, the amount they were required to spend for food stamps was more than they could afford. For instance, one woman and her daughter were getting \$65 a month, on aid to dependent children. She is paying \$47 a month for rent, so that left her \$18 to feed, clothe, and for any other medical expenses that she might have. When they told her that she would have to spend \$20 a month for food stamps to participate in this program, she said, "Well, I cannot, because if I spend that for food I will have no money for anything else and won't even have enough to pay my rent." She was not eligible at first to get the stamps, because her income was just not high enough to cover what the Department said should be her normal food budget. It was too rigid.

That is why we got the Department of Agriculture together with our welfare people and said, "You have to take the human element into account, in setting up these regulations. You cannot just set a strict line and say, 'Well, if you do not meet this, you cannot qualify.'" They found that out. I know that these stamps are not to take the place of any other costs that the recipients might have to pay in order to live. This is strictly a food assistance plan. But they must be flexible enough so that if a family of two is supposed to spend \$25 a month on food and simply does not have \$25 a month to spend for food per month, they could make it flexible enough so that they would be expected to pay only what they truly can afford—say \$17 or \$20 to buy the coupons that would give them a proper diet. That is how it is now being set up.

Mr. LATTA. How many households in St. Louis qualify under this?

Mrs. SULLIVAN. At this point I cannot give you an exact figure, but for the first few months, when they changed from direct

distribution in St. Louis to the food stamp system, we had less than 10 percent of those getting surplus food participate in the new program. Each month it grows a little more, because they call these people back and explain the program better and also make some special arrangements where necessary. But some people felt, "I was getting free food before, why should I have to spend my own money now to get extra food?"

It was a matter of education—a matter of trying to get people to understand what this meant. Many complained that they simply could not spend that much money for food because they had medical expenses and other things that they had to spend their money for. When the regulations were changed, a lot of people did not hear about it quickly—they just didn't know they could qualify.

Mr. LATTI. This brings up a very interesting point, Mr. Chairman. I think that we will have to consider this in writing a definition here for food—these people take a portion of their own income and put it into the stamps. If they buy coffee, for example, it seems to me that they ought to be able to buy it out of the portion provided by their own income.

Mrs. SULLIVAN. Yes, I agree with that.

Mr. LATTI. They put in a part of their own money. We would be denying the family the right to buy coffee with a portion of their own money.

Mrs. SULLIVAN. As it stands now they are not allowed to buy coffee, tea, or bananas or anything that is imported. Those are some of the examples they have written about. Not only in my area, but in other areas. They complain that they cannot buy paper products or soap with these stamps, either. It was explained that this is just for agriculture, and that the stamps must be spent only for food. Presumably, when a family buys the stamps each month, an allowance is made for the fact that they have additional grocery expenses not covered by stamps.

Mr. LATTI. What I am trying to say is in these cases where they have \$50 worth of stamps, the person puts in \$25 of his own money to get the \$50 worth of stamps then you are denying him the right to buy these things with a part of his own money.

Mrs. SULLIVAN. That is why we have to avoid rigid requirements on how much must be spent for stamps and make allowances for what people actually have to buy in a grocery store. They must be left with enough money of their own to buy necessities not covered in the food stamp plan.

Mr. JOHNSON of Wisconsin. There is nothing in the legislation which prevents you from keeping out money to buy items that come from foreign countries if you wish, is there?

Mrs. SULLIVAN. No. The regulations, set up for a family of four, say, on a certain income, require that they must spend so much of their income to purchase the stamps. This is supposed to represent the amount they would normally be expected to spend for domestic foods.

Mr. JOHNSON of Wisconsin. It denies them that opportunity.

Mrs. SULLIVAN. I do not believe that it is spelled out in the bill; no, under the bill, any food could be purchased with stamps. But these are the regulations that have been set up. I think we ought to

limit it just to foods not grown in this country if you are going to include imported items.

Mr. DOLE. Mrs. Sullivan, on page 3, the definition, but first of all, is there any age limit on this or is it a matter of determination by the State welfare agency?

Mrs. SULLIVAN. It is determined on the basis of income and need as determined by State and local welfare authorities and the Department of Agriculture. Many, of course, are people who are retired, people living on social security, or people living on welfare. So I would say that while there is no age limit, many of the recipients are elderly.

Mr. DOLE. It would not apply to somebody who is just lazy?

Mrs. SULLIVAN. No, I am certain that it would not. They would have to have money to buy stamps, or a good reason for not having any money.

Mr. DOLE. In the paragraph on page 3 it says in subsection (e), "The term 'household' shall mean a group of related or nonrelated individuals." We are not getting into the position of subsidizing immorality, are we, by that definition?

Mrs. SULLIVAN. For instance, there might be two elderly women, perhaps retired school teachers, living together, sharing an apartment or a room or something of that sort—those people are not related, but they are living in the same household. Under this plan they would be regarded as a family unit.

Mr. DOLE. There might be some other people living together who are not related and the children there might be hungry—it might be a family unrelated in a sense.

Mrs. SULLIVAN. There is no way of stopping an unmarried mother with three or four children from getting food stamps, no.

Mr. DOLE. I think this might be a point to consider. I do think this has been one criticism, at least, in Kansas people criticize this type of an arrangement.

Is there anything in this for banks, for the part they play in the program, is there any compensation for them?

Mrs. SULLIVAN. That had been discussed at home, because some of the banks said that it would create a problem. I have not gone deeply enough into that to find out.

Mr. DOLE. There is nothing in this bill for that?

Mrs. SULLIVAN. The Department could explain that better than I. I know the stamps are handled by the banks as money.

The CHAIRMAN. Thank you very much, Mrs. Sullivan.

Mrs. SULLIVAN. Thank you very much.

The CHAIRMAN. We will next hear from our colleague, Mr. Saylor of Pennsylvania.

STATEMENT OF HON. JOHN P. SAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. SAYLOR. Mr. Chairman and members, I am delighted to appear here in support of the legislation introduced by our colleague, Mrs. Sullivan. I happen to be one of the few Members who sat on my side of the aisle who felt from the very beginning that outright grants of surplus foods were not proper and that the food stamp approach

was a great deal more logical, a great deal more consistent with the American system, than the granting and giving of surplus food allowances. So I have consistently supported Mrs. Sullivan in her effort to put into effect the food stamp plan.

After the present Secretary of Agriculture took over and began to demonstrate on a pilot basis I was one of those who was very frank to criticize the Secretary; as a matter of fact, I criticized the Secretary because from the press releases that were being made they were endeavoring to put this food stamp plan into areas that had the greatest amount of unemployed persons. I do not brag about the fact, but I must confess that I happen to be the only Member of Congress whose entire district is classified by the Labor Department as class F. This is the area that has the highest unemployment and has persisted for the longest period of time.

Under the U.S. flag at the present time there are only three such areas—the one that I represent in Johnstown, Pa., and the other two are in Puerto Rico.

Because of my criticism to the Secretary this plan was extended to one of the three counties I represent. It has been extended to Cambria County, Pa., and it has been in effect since the first of February.

I have been in touch with the county commissioners, with the Cambria County Board of Assistance, with the newspapers and various relief agencies in the area and I can tell the members of this committee that every one of the agencies in my home county who are handling this program heartily endorse it and they have asked me to come before you and to tell you of their enthusiastic approval.

I would just like to read a letter from Mr. Edward Golob, who is the executive director of the Cambria County Board of Assistance. He is a career employee in this field. His college training was in this field. He is recognized in the State of Pennsylvania and in other areas of the country as an outstanding authority on problems of assistance and relief.

DEAR MR. SAYLOR: Thank you for your letter of May 20, giving me an opportunity to comment on the Federal food stamp plan.

We who are responsible for administering the plan in Cambria County favor it tremendously over the direct distribution plan; the beneficiaries of the program almost unanimously favor it; and, the business community likes it very much.

We like the stamp plan because it more adequately provides for the welfare of the individual through better nutrition; it takes Government out of competition with private business because the plan is operated through the regular channels of commerce and finance; it eliminates inadvertent and unintentional waste; it is dignified; and it is convenient.

Through this plan the eligible consumer buys what he wants, when he wants it or needs it. He can always have fresh foodstuffs in his home. Through this plan he can vary his diet.

Under the direct distribution plan, people, many poorly clothed and some perhaps ill, had to stand in long queues on specified days (rain or snow) and at specified hours (or miss out), with boxes, baskets or some other type of container to receive and lug home their surplus food items. The selection was limited to possibly three or four different items. Common items were cornmeal, cheese, dried milk, rice, etc. They were given impractical large amounts of the same item because the distribution was made only once a month, and it was, I guess, intended to be a month's supply. I've heard of families getting 20 pounds and more of cheese and large amounts of cornmeal and dried milk, which many children didn't like and didn't drink. You can only use so much milk in cooking. The first month 20 pounds of cheese or cornmeal or rice was

not bad. It was probably relished. The second month it was OK, but by the third month, and after, you could hardly look at it let alone eat it. So you gave it away or threw it away—a terrible waste. Then there was spoilage to contend with because many of the poor did not have adequate refrigeration to cope with large amounts of perishables.

This plan involved an additional extra cost to the taxpayer in that you had to set up storage, refrigeration, transportation, and a staff to receive, store and distribute the food. The sad part of this in addition to the above noted and other disadvantages was that this was all in direct (unintentional, but the nature of the beast) competition with the retail merchant. This plan adds nothing to the economy but takes from it to the extent of the additional costs to set up and staff a highly inefficient duplicate distribution system.

In contrast, the food stamp plan uses the regularly established and highly experienced and efficient channels of commerce and finance.

The food coupons (stamps) are bought by eligible participants at regularly established commercial banks. The participants then use these coupons in any approved retail outlet. This can be with any store, the milkman or the breadman.

The participant can buy with these coupons any edible domestic food product. Through the increased purchasing power of the individual because of the bonus coupons, more food products are moved through normal trade channels from the farm to the consumer. This should help reduce farm surpluses. The individual can buy what he wants when he wants it, and only as much as he needs or will and can use. Waste and spoilage is reduced to what occurs in any normal household. Deliberate waste and unpreventable spoilage, however, is eliminated.

The food stamp plan is an accountable system which is apparently not the case with the direct distribution plan. Eligibility is determined according to rules by an experienced staff. Under the direct distribution plan in Cambria County some 40,000 persons were certified as eligible and participating in the program. Under the food stamp plan this number has been reduced to less than 14,000 persons.

Newspapers, daily and weekly; radio, Johnstown, Ebensburg, Portage and Barnesboro; television; and throwaway pamphlets were all used to publicize the program. People should know about it. So this is not the reason for the reduced number of people participating in this program.

The banks seem to like the plan because it brings people into their institution, it is a service to some of their customers (low- and marginal-income families ineligible for public assistance are eligible for food coupons), and they are paid a fee of 35 cents for each transaction. To date, from March 1 to May 15 the banks have earned \$5,773.95. This is new money in the county; this is an addition to the local economy.

The stores like it because it has increased their business. It is helping to get some of their accounts on a cash basis. Food coupons may not be used to pay back bills and may be used only for cash transactions; but the increased purchasing power with the bonus coupons makes it possible to pay a little on back bills from remaining cash on hand.

It is perhaps too early to establish how much increase there is in business or in what food products. However, I've heard that some stores have had to hire extra "carry out" help, one large store in Johnstown, the first Saturday after the start of the plan on March 1, claimed its best food department day in months, and there have been no complaints.

From March 1 to May 15 eligible participants have purchased from their own cash \$443,589 food coupons; in turn they received \$678,197 worth of coupons which represents a total of \$234,608 increased purchasing power and new money in the community. This is another addition to the economy.

I have heard that in one, maybe more, of the pilot stamp areas the community reduced its own public assistance grant equal to the value of the bonus coupons. In my opinion this is not "cricket." You lose any of the benefits to participant, retailer, and farmer through increased purchasing power. To do this only transfers to the Federal Government in an indirect way an additional portion of the cost of public assistance. Such a move defeats the entire purpose of the food stamp plan because it negates any increased food purchasing power. I would recommend strongly that any legislation would include prohibitions against such action by the State or local community. It will be of interest to

you to know that the receipt of food stamps has been the difference in a family coming onto the assistance rolls and being able to stay off them. This is a happy experience for our staff.

The vast preponderance of the participants like the plan and have expressed themselves as follows: "like food stamps," "manage better," "better than surplus food," "children can have fresh milk," "first time we've had fresh fruit and fruit juice in years," "now I can buy lunch meat for school lunch," "first time we've had bacon (a side, not sliced) in years," and many more similar comments. It has been a morale building experience especially for mother and child. For the mother because she can now feed her family with some imagination, variety, and higher standard, including some meat for a decent Sunday meal; and for the children in school a lunch with some meat, maybe fruit, and even a cookie, like the other children have, and not just a jelly bread sandwich gobbled in secret and embarrassment and boredom.

Older people have commented to our caseworkers that now they can purchase food they can eat. People with special diets can buy some if not all the foods they should have in their diet.

My staff and I highly commend to you the food stamp plan for its dignity, its convenience, its purpose, and its economy over the surplus food direct distribution plan. In no way should the school lunch program be affected. With regard to this program though, it seems to me that there should be a stronger requirement that children of indigent or low-income families be provided lunches without cost and that paid school employees not be allowed the lunch at a low cost.

Sincerely yours,

EDWARD R. GOLOB, *Executive Director.*

I think, Mr. Chairman, that this letter which I have read into the record, explains better than I can the actual effect of this food stamp plan.

The CHAIRMAN. Are there any questions? Mr. Hoeven.

Mr. HOEVEN. Do you think that this program should be charged to the Department of Agriculture?

Mr. SAYLOR. I believe that the surplus food plan has been charged to it. The experimental basis has been charged to it. And in view of the fact that it will be a considerable saving as the Secretary testified yesterday, at least, for the time being it should be.

Mr. HOEVEN. Why should this program be charged to the Department of Agriculture?

Mr. SAYLOR. At present I think it should be. If this committee decides in its wisdom that it should be a general charge on the Treasury, I would have no objection to that. This is a matter of which members of this committee have more knowledge than I.

Mr. HOEVEN. Would it not be more proper that this program be charged to the Department of Health, Education, and Welfare—it is more of a welfare program than it is in the field of disposing of surplus agricultural commodities, is it not?

Mr. SAYLOR. The program, certainly, has a benefit to the Department of Health, Education, and Welfare. And if in the wisdom of this committee they feel it should be charged to the Department of Health, Education, and Welfare, I certainly would not object to that.

Mr. MCINTIRE. What were those figures as to the number of people who were the recipients of the surplus foods as set forth in this letter?

Mr. SAYLOR. Under the direct distribution plan in Cambria County there were some 40,000 persons who were certified as eligible as participating in the program. And under the food stamp plan this number has been reduced to less than 14,000 persons.

Mr. MCINTIRE. What is the reason for that?

Mr. SAYLOR. Under the direct distribution plan the State of Pennsylvania, along with other States set up their own requirements for eligibility for participation. If you qualified, many people went down and got food. I know from my own personal knowledge that some of it spoiled, some of it was given away, some was thrown away. People just got in the habit of going down merely because it was surplus food being distributed.

Mr. McINTIRE. Because they were eligible?

Mr. SAYLOR. Because they were eligible.

Mr. McINTIRE. What happened to the 26,000 people who were eligible under one program and not eligible under the other?

Mr. SAYLOR. The requirements of eligibility have not changed—the requirements are the same—but some people, I feel certain, have not had the necessary cash to go and buy the food stamps. This is a matter I am told that the State of Pennsylvania is working on and, as I understand, other States are doing the same thing.

Mr. McINTIRE. I was just wondering about these 26,000 people who do not have the cash to do this. After all, the cash which they use to purchase these food coupons is, actually, increased in value so that anyone who has \$5 can get \$7 or \$8 worth of food with it. Am I not correct in my understanding that with the food stamp program the distribution of surplus foods is handled by that?

Mr. SAYLOR. That is correct.

Mr. McINTIRE. Then by putting in this program under the food stamp system, 26,000 people in this county were denied public assistance from the standpoint of food; were they not?

Mr. SAYLOR. No, they have not been denied any public assistance. They have not participated in the stamp plan.

Mr. McINTIRE. These 26,000 people are not now receiving any surplus foods, because they are not receiving any assistance from this.

Mr. SAYLOR. The assistance program has not changed. One of the paragraphs which I read and would like to emphasize to the committee is this:

I have heard that in one, maybe more, of the pilot stamp areas the community reduced its own public assistance grant equal to the value of the bonus coupons. In my opinion this is not cricket. You lose any of the benefits to participant, retailer, and farmer through increased purchasing power. To do this only transfers to the Federal Government in an indirect way an additional portion of the cost of public assistance. Such a move defeats the entire purpose of the food stamp plan because it negates any increased food purchasing power. I would recommend strongly that any legislation would include prohibitions against such action by the State or local community. It will be of interest to you to know that the receipt of food stamps has been the difference in a family onto the assistance roles and being able to stay off them. This is a happy experience for our staff.

Mr. McINTIRE. I shall not go further into this. Thank you.

The CHAIRMAN. Any further questions?

Mr. JOHNSON of Wisconsin. When did the program start in Pennsylvania?

Mr. SAYLOR. The first one was established in one of Dr. Morgan's counties. I believe it is Washington County. That was about a year ago. This started in Cambria County in March on March 1.

Mr. JOHNSON of Wisconsin. Of this year?

Mr. SAYLOR. Of this year, yes.

Mr. JOHNSON of Wisconsin. Would not the short time in which the program has been in operation account for the low number of participants, that there are only 14,000?

Mr. SAYLOR. From the information that has been given to me they expect that, at least, one-half of the people who were formerly recipients of surplus food distribution will be on the program when it is in full operation.

Mr. JOHNSON of Wisconsin. They are still distributing surplus foods in the county?

Mr. SAYLOR. No, there is no surplus food being distributed.

Mr. JOHNSON of Wisconsin. It is confined to the stamp plan?

Mr. SAYLOR. Yes.

The CHAIRMAN. Mr. Short.

Mr. SHORT. You stated in your opening remarks that your whole district was cataloged as one of the most severely depressed areas in the whole United States.

Mr. SAYLOR. That is the report which we get each month from the Department of Labor.

Mr. SHORT. This is on the basis of the percentage of unemployment and the level of per capita income?

Mr. SAYLOR. That is correct. And persistent substantial unemployment.

Mr. SHORT. The administration did not see fit until February 1 of 1963 to implement the food stamp plan in your district?

Mr. SAYLOR. It was started in this district the first of February.

Mr. SHORT. And yet in statistically less depressed districts within the State of Pennsylvania a food stamp plan was implemented?

Mr. SAYLOR. Yes. That was in areas that were classified as persistent and substantial unemployment areas, but not to the extent in the three counties I represent.

Mr. SHORT. Thank you.

The CHAIRMAN. Mr. Latta.

Mr. LATTA. You said something about this bank having earned \$5,000—does that mean that there is some payment made to the bank?

Mr. SAYLOR. The banks, as I understand, are paid for the coupons that are sold through the banks.

Mr. LATTA. The banks are paid for handling them?

Mr. SAYLOR. The banks are paid for handling them.

Mr. LATTA. And this figure of \$5,000 was for 1 month or 2 months; or for what period?

Mr. SAYLOR. Apparently it is for, at least, a 3-month period and involves the sale of the coupons. They are paid 35 cents for each transaction.

Mr. LATTA. Thirty-five cents for each transaction?

Mr. SAYLOR. Yes.

Mr. LATTA. What constitutes a "transaction"?

Mr. SAYLOR. I would imagine this is where the people go in and buy a book of food coupons.

Mr. LATTA. I see. The person who wants to buy these coupons goes to the bank and if they buy \$10 worth of coupons they are charged 35 cents and if they buy \$20 or \$50 worth of coupons, the banks still gets 35 cents?

Mr. SAYLOR. No; one of the complaints I have received from a number of people is that at the present time you cannot buy less than \$50 worth of stamps at any one time.

Mr. LATTA. Who pays the 35 cents, the Federal Government or the recipient?

Mr. SAYLOR. The Pennsylvania Department of Public Assistance pays the 35 cents.

Mr. LATTA. This statement that you made that these people did not have the cash and could not buy the stamps means that a person that is absolutely penniless could not qualify under this plan because they could not buy the stamps; is that right?

Mr. SAYLOR. This, unfortunately, is one of the problems which the relief agencies of the State of Pennsylvania have pointed out—one of the shortcomings of the program and one they are trying to find a solution to. One might be to give an advance of 1 month to the people so that they will be able to participate.

Mr. LATTA. Could they not figure out a budget for these people and give them \$50 for food for a 2-week period and let them pay for a portion of it—are these not the people we want to help first and most?

Mr. SAYLOR. These are the people that we want to help. There is no doubt about it that any program that has ever started is not easy to work out in all of its intricate details. This is one of the real problems. It gets down to a family that is without money completely, to try and give them help, a family that is dependent entirely upon public assistance for its support.

Mr. LATTA. Is there any limitation in these pilot programs that says that the Federal Government cannot give them these stamps?

Mr. SAYLOR. No; there is no limitation that says that they cannot give them all of the stamps, but this has not been worked out with the Department of Public Assistance of the State of Pennsylvania.

Mr. LATTA. That is all.

The CHAIRMAN. Are there any further questions?

Mr. SAYLOR. Mr. Chairman, for your files and for the benefit of the committee and the staff I would like to file three articles from the Johnstown Tribune-Democrat which gives a general survey of what happened in the area while the program was being installed.

The CHAIRMAN. Without objection they will be included in the files of the committee.

The CHAIRMAN. At this point in the record, without objection, I will include statements by our colleagues Mr. Daniel J. Flood and Mr. John A. Blatnik, a letter addressed to the committee from the Jacob Haller Co. of Erie, Pa., a letter from our colleague, Mr. Charles A. Mosher, addressed to me as chairman, to which is attached a letter from George W. Lawrence, welfare director, Huron County Public Welfare Department, dated May 23, 1963.

(The material referred to above follows:)

STATEMENT OF HON. DANIEL J. FLOOD, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF PENNSYLVANIA

Mr. Chairman and committee members, there can be no questioning of the worth of aiding those people who are in need of supplementary food benefits. It is the responsibility of society to aid them, and since the Federal Government speaks for our society, it is our responsibility to fulfill these obligations. The food stamp program has been debated back and forth, but a few of the find-

ings from Luzerne County, one of the pilot areas, will be enlightening. Realizing the great need for such a program, it has been gratifying to see the results, for the food stamp program has proved an effective means of improving the diets of participating low-income families in Luzerne County.

The families participating in the program, according to surveys of the State welfare officials who administer it, are extremely pleased with the pilot program. The virtual full and free choice of foods, especially in fruits, vegetables, meat, and fresh milk has been of undeniable benefit to these people, and their children.

In addition, the program has proved to be an aid to the economic situation in the county. Since October 1, 1962, when the program began, over \$600,000 in additional food-purchasing power has been spent in authorized retail food stores in Luzerne County. U.S. Department of Agriculture studies in the original pilot areas showed a rise of 8 percent in retail food store sales. The benefit here is unquestionable.

Luzerne County has some 12,000 persons participating in the program. This is 94 percent of all those eligible. Naturally, the administration of such a large group may seem like a difficult problem, but according to Mr. Ray W. Lennarton, the associate administrator of the program here, "the cooperation with State and county officials, the food trades, the banking community and all the informational media of the county is excellent." This highlights a main point of the program, and an important one: that of operating successfully through normal commercial channels.

A summary of food coupon expenditures in Luzerne County since the program opened there is as follows: the value of bonus coupons cited represents the net additional food-purchasing power mentioned earlier.

Total value of coupons issued-----	\$1, 721, 991. 00
Value of purchased coupons-----	1, 138, 398. 11
Value of bonus coupons-----	583, 592. 89

In summation, the results in Luzerne County indicate the success of the program in providing adequate meals, increased trade, and efficient administration. To get the same results the program should be applied on a permanent basis to the needy of the entire Nation. As long as we are human, then we must be humane. The food stamp program is our closest approximation to this to date.

STATEMENT OF JOHN A. BLATNIK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. Chairman and distinguished members of the committee, I am pleased to have the privilege of appearing before you today in support of the extension of the Department of Agriculture's pilot food stamp plan to a national program. Both the objectives of the food stamp program—to improve the diets and nutrition of needy persons and to make more effective use of our abundance and surpluses in food—are practical and worthwhile.

I have seen this program in operation back home in my district since its initiation there in June 1961, and I know what it has meant to thousands of my constituents who have been fortunate enough to participate. These people like the food stamp program because it respects their individual freedom of choice—allowing them to buy what foods they want, where they choose to shop, and when they need the food. This program looks to the human dignity of these people, many of whom are in desperate need because of the serious unemployment situation in Minnesota. It protects good people, whose misfortune is not of their own making, from suffering the humiliation of the breadlines, the existence of which gave pathetic testimony to the plight of many of their parents back in the 1930's.

Mr. Chairman, the total record of accomplishments of the food stamp program since its inauguration in May of 1961 has been amply set forth by those who have testified here before me. I would like, however, to place before this committee—which is now considering a matter most vital to the millions of families in this Nation who are on relief—some facts and figures on the success of the food stamp operation in St. Louis, Itasca, and Carlton Counties in Minnesota.

In June of 1961 parts of St. Louis and Itasca Counties in northeastern Minnesota pioneered in developing and evaluating the pilot food stamp plan. By November of 1962 the plan included all of both counties, and in March of

1963 it was again expanded to include Carlton County. These three counties are still operating necessary and effective programs.

Since the beginning of this vital assistance program in Minnesota, approximately 13,000 families have been participating on a monthly basis. During this time \$3.4 million worth of coupons has been issued in the State; \$2.4 million were purchased by eligible families, who thereby received \$1.0 million in free coupons. This means that the Federal Government has pumped \$1 million into the economy of northeastern Minnesota through this plan alone in the past 23 months. Besides providing for the efficacious use of our food surpluses, this program has contributed greatly to improving the diets of the participants. It has also substantially increased retail food sales, thereby benefiting the economy of this depressed area in another important way.

The telegrams which I have received from the Iron Range mayors whose cities and villages are participating in the program have indicated universal acceptance. Mayor Ernest F. B. Johnson, of Virginia, which was one of the original pilot cities, telegraphed the following message:

"Very much interested in continuation and expansion of food stamp plan in the Iron Range area. Very essential to the economy of the Iron Range. Best plan for the Government. Involved least amount of money from taxpayers. Eliminates any expense of food storage." Mayors Graton of Chisholm, Taveggia of Hibbing, and Johnson of Duluth also sent messages expressing similar sentiments.

Much has been done for Minnesota through this program in these past 23 months, but the need is still overwhelming. The unemployment rate in the mining industry, which is the basic industry of northeastern Minnesota, has been running at 40 percent. The overall unemployment rate in northeastern Minnesota currently stands at 20 percent—nearly four times the national average. At the present time Minnesota is one of the seven States in the entire Nation where unemployment compensation funds have dropped to a dangerously low level. At the beginning of this year Minnesota's fund was classed as in critical condition because it was lacking in the reserves to meet another year of extreme unemployment. In St. Louis County, the welfare board was forced to decide that further benefits would be paid only to married men because the welfare funds were running so low. Unemployment has been so severe that in the Iron Range region of the State, the area in which the food stamp pilot program is located, the total work force has declined from 1960 to 1963 by 8 percent. Since 1960, there have been 5,200 men and women move out of the area in search of jobs elsewhere, and all of them have been in the 20-to-44 age bracket.

Mr. Chairman, these people need our help. They are situated in one of the seriously distressed areas of the Nation and they, in an era of real affluence for many, are so down and out that many of them cannot provide the necessities of life for their families. We cannot in good conscience allow this condition to endure. These are good people and they are proud. They are out looking for work which doesn't exist and they are at their wit's end. The food stamp program allows them the comfort of continuing to provide sustenance for their loved ones, and to provide it in a dignified manner, as a tide-over until the unemployment problem has been ameliorated.

I earnestly request, Mr. Chairman, that the food stamp program not only be continued, but even expanded in Minnesota. Two other countries in my district alone—Pine County and Lake County—are urgently requesting that they be included in the program. A typical example of the terrific problems confronting the citizens of these areas is found in the critical situation currently existing in Two Harbors, Minn., which is in Lake County. Earlier this year—as a direct result of the curtailment of mining operations on the Iron Range—the Duluth, Missabe & Iron Range Railroad eliminated its run to Two Harbors and the iron-ore docks in the city were closed down. This has meant unemployment for approximately 700 men in a city of 5,000 people—a disastrous dilemma of almost total unemployment in a city which has no other work to offer those put out of jobs by the shutdown. And the need is equally great all over the State. Clay, Hubbard, Becker, Lake of the Woods, Beltrami, Crow Wing, Cass, Clearwater, and Mahanomen Counties have all requested inclusion in the food stamp program.

Mr. Chairman, if this is the state of affairs in Minnesota alone, I shudder to think of the problems facing other distressed areas of the Nation. The food stamp plan is one excellent and practical way to relieve this unnecessary human misery in our land of plenty.

To sum up: the food stamp plan is necessary because welfare allowances in many areas of the country are far too low to permit families to maintain even minimum dietary standards. It is practical because it will raise standards of nutrition, improve diets, and sell more food—aiding the food industry and reducing the costs now sustained by the Government in food storage and in the donation program. Above all, the food stamp program is humanitarian. In view of our huge food surpluses which depress prices, which cost the Government about \$1 billion a year to store and \$2 billion in price supports each year, it is simply indefensible to permit the existence of underfed and undernourished Americans.

Mr. Chairman, I heartily endorse and wholeheartedly support the existing pilot food stamp plan and strongly recommend that it be expanded into a national program.

Thank you, Mr. Chairman, and members of the committee.

JACOB HALLER Co.,
Erie, Pa., June 5, 1963.

HOUSE AGRICULTURAL COMMITTEE,
House Office Building,
Washington, D.C.

GENTLEMEN: We are writing in regard to House bill 5733 that would provide for the extension of the food stamp plan on a nationwide basis.

The plan is now in effect in three counties of Pennsylvania: Fayette, Cambria, and Luzerne; and we understand that it has been well received by 90 percent of the recipients.

We are heartily in favor of the plan because it not only restores the human dignity of the individual, but it provides him with a better balanced diet than under the present system.

We believe that it will result in a considerable saving in distribution costs to the Federal Government and channel the food business back through recognized retail channels. This will also help to revitalize our lagging economy in the Erie area, as well as in the State of Pennsylvania.

For these reasons, we are strongly in favor of the passage of this bill and ask that this letter be incorporated in the record of the hearings on this important matter.

Sincerely,

ROBERT A. HALLER,
President.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 6, 1963.

HON. HAROLD D. COOLEY,
Chairman, House Agriculture Committee,
Washington, D.C.

DEAR CONGRESSMAN COOLEY: Our colleague, Mrs. Leonor K. Sullivan, addressed a letter to me not long ago concerning the administration food stamp bill, H.R. 5733. It is my understanding that hearings on that bill are scheduled by your committee to begin June 10.

I realize that your witness list has been completed. However, I would like to go on record before your committee as indicating the very keen interest of Mr. George W. Lawrence, welfare director of the Public Welfare Department of Huron County, Ohio, in the food stamp plan.

I enclose here a copy of a letter directed by Mr. Lawrence to Mr. C. D. Ward, general counsel of the National Association of Counties which you will find self-explanatory.

Thank you for your attention to the above.

Sincerely,

CHARLES A. MOSHER,
Representative to Congress.

HURON COUNTY PUBLIC WELFARE DEPARTMENT,
Norwalk, Ohio, May 23, 1963.

Re food stamp program.

Mr. C. D. WARD,

*General Counsel, National Association of Counties,
Washington, D.C.*

DEAR MR. WARD: Your letter with regard to the food stamp legislation pending in Congress came to our attention too late for us to be of any assistance to you so far as any May hearings are concerned.

However, I would like to say that I believe that Huron County was the first rural county in the United States to have the original food stamp plan and that it was of great benefit to us, and we are very anxious to have it again.

Our geographical layout is such that it is almost impossible physically to handle a good surplus commodity program and the expense would be considerably more than the benefit that we might be able to give our families by giving them the same amount of money in cash relief.

We operate on a budget of 70 percent of minimum standards, and the food stamp program would be a lifesaver to these people.

Sincerely,

GEO. W. LAWRENCE, *Welfare Director.*

The CHAIRMAN. I want also, without objection, to insert at this point in the record a statement to be furnished by our colleague Mr. John Dingell, of Michigan.

(The statement follows:)

STATEMENT OF HON. JOHN D. DINGELL, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF MICHIGAN

Mr. Chairman and members of the committee, I strongly support legislation now pending before your committee to expand the food stamp program. I heartily endorse expansion of this program on the basis of efficiency, economy and sound administration. The program has been in effect in Detroit since the beginning of this administration and we have had a uniform and favorable reaction to that program. The welfare recipients and families of limited means are well pleased with the substantial improvement in their diet accomplished with dignity and dispatch. Our welfare department finds this the most efficient and economic device for improving the diets of our people and disseminating surplus food. Our food stores find it an excellent way to handle this program through regular commercial channels. Use of this program has done away with the old program for maintaining a costly Government distribution system and dissemination of these foods, and has afforded families of limited means a much wider improvement in diet in terms of quality, quantity and diversity of foods.

I enclose a communication from our welfare director, Mr. Daniel Ryan, and ask that this communication be inserted into the record of hearings.

CITY OF DETROIT, DEPARTMENT OF PUBLIC WELFARE,
Detroit, Mich., June 4, 1963.

Hon. JOHN D. DINGELL,
*Member of Congress,
Washington, D.C.*

DEAR CONGRESSMAN DINGELL: I wish to thank you for your letter of May 22 regarding H.R. 5733, which provides for the expansion of the food stamp program.

As one of the original pilot areas, we have now operated under the program for 2 years. During the preceding 7 years we participated in the direct distribution of surplus commodities. Our experience shows the food stamp program to be far superior to the direct distribution program. The total local administrative costs have been reduced. The needy and low income families of our community now have the opportunity and ability to obtain a share of our abundance of food and they have materially improved their diets. This urgently needed extra food, under the food stamp program, is food of their choice, shopped with dignity at their convenience and at the grocery they choose.

The program has removed the department from the grocery business, where it did not belong, and placed the distribution of food back into the food industry.

From our experience we would unhesitatingly recommend the food stamp program to any community. The legislation before you, in H.R. 5733, has been carefully reviewed and appears to us to be an ideal vehicle to provide the communities of the Nation the opportunity to assist both their needy, their local food industry, and the entire agricultural industry.

We would be pleased and honored if you would wish to place this statement before the House Committee on Agriculture.

I had previously heard from Martha Griffiths asking that I testify on behalf of the city of Detroit, and I have indicated my willingness to do so.

Sincerely,

DANIEL J. RYAN,
General Superintendent.

The CHAIRMAN. Now we will be glad to hear from our colleague, Mr. Fulton of Pennsylvania.

STATEMENT OF HON. JAMES G. FULTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. FULTON. Mr. Chairman and members, it is a pleasure to appear before you in support of H.R. 5733 to extend the food stamp program from its present pilot basis in U.S. cities and counties to a nationwide program.

I have a statement that I will insert in the record rather than read it, but I would like to comment specially on certain benefits and aspects of this program.

The food stamp plan expansion would benefit the farmer by selling more food and by having more money available under section 32 for surplus removal emergencies. The U.S. Government will save on farm price support and food storage costs; the municipalities will save on costs of underwriting surplus food distribution; and the recipients will be able to obtain their food needs with broad selection in their home communities rather than having to go to a central distribution point to receive surplus food packages in large quantities each month. The direct distribution system cannot and does not provide these benefits to all concerned.

I might state to you that this is a good program and where the communities request it, the request should be granted, and the stamp program instituted.

I believe that it is at this time, probably, more an agricultural program than it is a relief program or a health and welfare and education program.

As we go into the program further I can see that there might be a certain portion that ought to be taken over by the States as well as the local municipalities, as well as by the Department of Health, Education, and Welfare.

I have some comments on Pennsylvania, because I was one of the people who first requested and helped plan and initiate the direct surplus food distribution program of U.S. agricultural surpluses in Pennsylvania. As a Member of Congress from the city of Pittsburgh and Allegheny County, Pa., I was asked by the then Central Labor Union of the American Federation of Labor, consisting of 150,000 members, to help institute and work out with the Federal authorities a practical and efficient method that could be used in cooperation with our local communities and in Pennsylvania. I must compliment the officers and members of the Central Labor Union as well as the local

officeholders in western Pennsylvania, because we did work long and hard on the program. I would further compliment not only those members and officeholders, but especially the Congressmen from western Pennsylvania regardless of party, who held meetings, worked together, and helped me on the program.

We Congressmen formed an organization among ourselves from western Pennsylvania and central Pennsylvania and met with the various people from the Secretary of Agriculture on down. We met with the local officials and kept the program in order, met with the State officials and helped to set up the standards for distribution and methods of determination of family income and what would be adequate for family sustenance.

One person that I would compliment highly is not in Congress here today. She was a Democratic Member of Congress, the Honorable Vera Buchanan of McKeesport, Pa. When the direct surplus food distribution program got out of bounds in Pittsburgh and Allegheny County, we jointly arranged for hearings by our board of commissioners of Allegheny County which we attended and helped work out a better distribution system. Vera Buchanan has since died, but even when she was ill she was very much interested in the programs and spent a lot of energy that she could have well used otherwise, for these purposes.

I should like to make some criticism of the bill and suggestions, if I might, by just going through the bill shortly rather than giving a statement as to provisions with which I think we are all familiar.

On page 4 of the bill, line 12, the bill restricts the purchases only from retail food stores. In many of the suburban areas the farmers come in and sell or are at their farms where they have their own places where they sell produce, or they join together in these little roadside stands. I believe that the restriction on approval is too strict so that we should expand it so that the city people can go out to the farms directly and buy the food and bring the farmers directly into the program, rather than have it all go to the business houses.

I believe the program is well administered and the way it has been set up is good.

The next point I would make is that on page 5 we should keep the provision of subparagraph (b), that each State shall establish the standards which will be subject to the approval of the Secretary. I like the fact that that policy decision is put at the State level rather than made a national type of decision. This gives local people the opportunity to make choices suitable to local communities.

I do believe in section 5(a) that the definition could be better worked out as to what methods are to be used for making the decision. I believe that the legislative committee should establish certain norms on which the decisions are made, and that this definition should be set out in more detail. I think this provision should be the legislative guide for the administrative agency to follow.

Then on page 6, under subsection (b), it states,

Households shall be charged such a portion of the face value of the coupon allotment issued to them as the Secretary determines is equivalent to their normal expenditures for food.

I would recommend that it might be wise to go further than that, and to encourage this surplus food distribution by giving these people a larger bargain than something of just about 25 to 30 percent in extra

food that they can buy. I would recommend a 50-percent extra value margin at least, so that when the person buys stamps, he gets an added purchasing power of \$1 for every dollar of his own money he puts in.

If you will look at the figures for Cambria County, Pa., you will find that the figures are for \$443,000 of cash that was put in by the recipients in Cambria County, they received in return \$689,000 worth of foods, which gave them a gain in purchasing power in that county of \$246,000. It will be seen from this that when they put in \$443,000 cash, from the recipients' pockets, they were then given \$243,000 extra worth of purchasing power. I believe this committee could well set the percentage much higher in order to get a larger distribution of surplus foods.

I have been strongly against the storage of surplus foods by the U.S. Government over and above what I would call a normal and emergency granary. You may remember that in the late 1940's no other than now Senator, then Congressman, Jacob Javits of New York and Congressman Jim Fulton of Pittsburgh, were the two Members on the House floor trying to amend the Agricultural Act. We said that there should not be these extra million of tons retained in storage above current regular and emergency needs. We were told then we were arguing against our own districts; that our city people would in the future need the food, and greater U.S. storage facilities should not be provided, and all "retentions" that were unnecessary, and restrictions on sale of agriculture surpluses should be taken off as the market at home and abroad would absorb these quantities before they would build up and become too large. We wanted to pay the farmer adequate prices because, actually, the farmers are our best customers in the cities. Second, we did not want the food going to waste but we wanted it used. We were both from the House Foreign Affairs Committee and we had then insisted that this surplus food be put into U.S. foreign aid programs abroad, instead of dollars.

I have changed my mind on one point that has come up here. I hope that I am not taking too long.

The CHAIRMAN. We still have to hear from Congressman Denton. You may proceed.

Mr. FULTON. When we consider that most of these spices come from abroad—sugar is very hard to identify, whether it is domestic or foreign sugar—items of that type, we might get more into a quagmire than we expect by trying to have the person at the retail outlet determine whether it is foreign or domestic food.

I like subparagraph (d) on page 9 which states:

In the administration of the food stamp program the State agency shall not discriminate against any household by reason of race, religious creed, national origin, or political beliefs.

We must measure up to those standards. I hope that the committee will in the final form of the legislation.

I hope that you will keep the provision in as one of the standards which we must all adhere to.

In subparagraph (e), on page 9, it is there stated:

Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid—

because of this program. I hope that this committee keeps that provision, because otherwise a large part of the benefit will be lost and

the burden will simply be transferred from the local municipality and from the State to the Federal Government.

On page 11 I would make a suggestion. I suggest to the chairman, particularly, that under section 11 it has a method of permanent disqualification of participating within this program. I think it might be better to put in a penalty, and with increasing penalties, rather than to perpetually make a blacklist, keeping some people out of the program just because they have not adhered to the standards that might have been set up. I do not like to blacklist. I would have certain penalties and requirements that participants must live up to. I do not think that I would keep them permanently from the program if they did not in all instances adhere.

The final comment that I would make on this program is that it is more efficient and it will result in less money being laid out for relief. The reason I say that is that my own personal experience has been that when the first surplus food direct distribution program started in western Pennsylvania it was not well organized. At one point they did this, from an open freight car, the local volunteers passed bags of potatoes over the side of the car, also bags of various things like cornmeal to all comers and it was not checked to see who was getting it.

The other point is this, the direct distribution method has so few commodities within it that it is hard for families to try to live on large quantities of commodities obtained at rare intervals on set large distribution schedules. Likewise there is the indignity of having to stand in line and go before the local boards, where you must stand out among your neighbors in the cold or in the rain or in the heat and be a public display with your basket or your box and take large quantities of items that are not processed, and which the family does not choose particularly.

The final point I make is this: that when we are giving food away that is unprocessed, it is a wasteful program. When it is not the kind of food that people ordinarily live on and enjoy eating, such as large quantities of a single item such as cornmeal alone, it is not too helpful. Then we are in a situation where it is not an efficient transaction.

I favor this legislation for expansion of the Federal food stamp program. I believe that every Republican as well as Democrat should favor it, because this is the private enterprise approach to food distribution as distinguished from the public and relief method which is the surplus food direct distribution. This plan gives private enterprise in the regular channels the method of distributing. I would say to the Committee on Agriculture that I do not see why the farmers are not in it as direct participants, too. I would like the farmers to be able to get in the program and participate directly, not only individually, but jointly and in their cooperatives.

Thank you.

(The prepared statement of Hon. James E. Fulton follows:)

STATEMENT OF HON JAMES G. FULTON, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF PENNSYLVANIA

I favor passage of H.R. 5733, which will extend the food stamp program from its present pilot basis in U.S. cities and counties to a nationwide program.

If the food stamp program were to be limited only to the size which is financed by section 32 of Public Law 320, it would take all the section 32 funds to cover

just this program, leaving no money for school lunch purposes or for emergency removal of surplus perishables.

The estimated cost of a national food stamp plan would be \$360 million a year, although most of this cost would be offset by savings elsewhere in the Department of Agriculture budget.

PURPOSE OF THE FOOD STAMP PLAN

As the Department of Agriculture states, the plan is a method of increasing food consumption among families not enjoying an adequate diet, and cannot be used as a device for enabling welfare recipients to use for other purposes some of the money they would normally spend for food.

The Secretary of Agriculture reported that a nationwide plan would not only raise the standards of nutrition but would, to a large extent, pay for itself in reducing Government storage costs. The plan would benefit the farmer by selling more food and by having more money available under section 32 for surplus removal emergencies. The Government will save on farm price support and food storage costs, the municipalities will save on costs of underwriting surplus food distribution and the recipient will be able to obtain all their food needs in their home communities rather than having to go to a central distribution point to receive food gift packages each month. The direct distribution system cannot and does not provide these benefits to all concerned.

The CHAIRMAN. Are there any questions? Mr. Short.

Mr. SHORT. I have just one question. It seems to me that if I understand the explanation of the way the program is working at the present time that the individual or the family that has been a welfare case, which has no money, where the people are in the most need, under this food stamp program are denied any opportunity to secure food products—they are no longer eligible because you no longer have the surplus commodity distribution program, and yet if they are given a welfare grant for food they have to use this money to buy the food at the food store and not at the reduced price that they are able to buy through the use of food stamps.

Mr. FULTON. I come from the four industrial southern wards of Pittsburgh, the large ones. Likewise, I have an industrial area where they have chemicals and shipbuilding. I have almost 23 coal-mining areas.

We are in a peculiar situation there of having very high wages and standard of living and chronic unemployment. In our county, the collector of internal revenue received \$1,250 million in Federal taxes a year, but we have high unemployment and high relief rolls.

In Pennsylvania, public assistance is adequate; so there is no such thing as a family in Pennsylvania not having the money. That is not a correct assumption. We provide well in Pennsylvania, it is a fine State, whether it has been under a Republican or a Democratic administration.

The point I would make, though, to you, because you have an excellent question, is this: When these people have to put up their own money as well and help pay the cost of certain items of food purchased, then it is a much different program than simply appearing in a relief line with a basket and shaking the public tree and having fall into it 20 pounds of cheese or 20 pounds of cornmeal which the recipient family presently have no need for. Therefore, the good of this program is that the relief recipient and the public welfare recipient as well as persons who are not on those two programs pay part of their own money which makes them careful with public money.

Mr. SHORT. Will you answer then this simple question: What about the family that has no cash income with which to buy stamps?

Mr. FULTON. In Pennsylvania every family has a cash income through public assistance.

Mr. SHORT. Let us take an instance of an area where you are not just dealing with low-income people, you are dealing with people who have no income.

Mr. FULTON. Well now, they are under what we call the public assistance program in Pennsylvania or they might be under the old-age assistance program or some other program.

Mr. SHORT. They receive a cash grant to buy food with?

Mr. FULTON. They get a cash grant for everything to pay their living and medical expenses.

Mr. SHORT. At these reduced prices.

Mr. FULTON. They get a cash grant for everything but, as you know, when you get a cash grant and you see something that you like, why often it might be easier to buy liquor or something else rather than food. The point of this is that under the Federal food stamp program they must buy the food with part of the money.

Mr. SHORT. That is exactly the point I am trying to get at. People who need food the most—it seems to me, the way the program is working, that these people have no income and are not able to use the stamps because they do not have the money to buy them.

Mr. FULTON. In Pennsylvania public assistance is adequate.

Mr. SHORT. We are not talking about Pennsylvania alone. Let us talk about some State that does not have public assistance. Where the family would have no income—unquestionably a welfare case—how do these people benefit by the stamp program and are they not completely denied the food that they used to get through the surplus commodity distribution program? You do not have people in Pennsylvania who have no income?

Mr. FULTON. Well, they do not have any outside income but they, certainly, get welfare payments. Any community which does not want the Federal food stamp program simply does not request it.

Mr. SHORT. Can they use the welfare payments to buy stamps?

Mr. FULTON. Yes, sure, that is where the misunderstanding comes. They can take their welfare payments and they should. They do not participate in this Federal food stamp program unless they use this food up to the normal requirements for their food consumption. You see then, they can buy the stamps if they show they are putting their welfare payments into food. So to somebody who is interested in seeing that a family is adequately taken care of I would, certainly, say to you that it is much better that instead of spending the welfare payments on luxuries that they be required to put it into food, in order to get the extra purchasing power which runs, maybe, 25 to 30 to 35 percent more.

Mr. SHORT. Possibly you have answered the question that has been in so many of our minds and this is simply whether or not the cash welfare allowance can be used for the purchasing of food stamps.

Mr. FULTON. That is correct. The cash welfare payment becomes their own general asset and the relief recipient can spend it for anything that they want. Too often in some of our districts in Pennsylvania, I hate to tell you this, you will find it being used in the bars and in the public houses rather than for food. So with this requirement that the recipient must buy the normal consumption of food for the family, in order to participate in the program, it really is making

our welfare problem much less in Pennsylvania and will in every State.

The other point I would say is this, that under the direct distribution program, recipients simply go stand in line with the basket and get free food that they do not want. Under the Federal food stamp program the recipients have to put up two-thirds of their own money to get the extra purchasing power for food. I think it is all the difference in the world in efficiency between the two programs. So to me it would logically reduce the number of people who were participating in the food program, to the deserving people who are careful and appreciate the help. I think that means a saving to the Federal Government.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Mr. Stubblefield.

Mr. STUBBLEFIELD. When you are talking about welfare payments do you mean unemployment compensation?

Mr. FULTON. No. Welfare payments are under other separate programs. We have what we call public assistance. We have old-age assistance. We have mother's assistance. We have blind assistance. Those are in the nature of payments that are given by the State in conjunction with the Federal Government without an adequate return, so that they are really gifts to help support particular groups of people. On the other hand, unemployment compensation is when somebody has lost his job and they then for a certain period of weeks get unemployment compensation that is set by the State and, of course, the Federal Government contributes to that. The Federal Government, also, has had its emergency programs which participated in the State's unemployment problem.

Mr. STUBBLEFIELD. It is not limited alone to unemployment compensation—that is what we are confronted with——

Mr. FULTON. You are correct—it is not limited alone to unemployment compensation. The point is that the Federal food stamp program is so placed that it operates in conjunction with local State customs, practices, usages, and legislation and so I favor it strongly. I think that all Republicans should simply for that reason. If the State or local community does not want the program, they do not have to participate.

Mr. STUBBLEFIELD. You mean that the State could step in where they do not have any income at all. All States do not have such help as you have mentioned.

Mr. FULTON. I did not say that all States must step in where there is no income at all, because I leave that to the particular State. The State certainly could help its citizens by participating.

May I point out to the chairman one defect of this program? The city of Pittsburgh has this program on a pilot basis. The city of Pittsburgh is built on many hills with rivers and creeks and tributaries. In the old days the roads ran up the creeks and the tributaries and alongside of the rivers, but then the suburbs came in. Now we have a city where the city runs clear out with fingers out into the county.

Our county commissioners have not requested this program be extended beyond the city of Pittsburgh to the county area on a pilot basis. I am a Republican Congressman in a Democratic county with a Democratic majority on the county board of commissioners and I want the program extended. I have asked them individually to do it.

I believe this program should be extended on an administrative basis not only to the city but to the county unit as well, because it makes for tremendous inequities on the people living on opposite sides of the same street. Likewise, if the program is nationally put into effect we would eliminate a lot of these administrative difficulties. So I favor it on that basis, too.

When I return home I am going to request our county commissioners to have a hearing and ask for a pilot operation for all of Allegheny County on the Federal food stamp program. Did I answer your question?

Mr. STUBBLEFIELD. No. I still do not know where they would get the money. If you cannot grant funds in the form of compensation they are out.

Mr. FULTON. This program does not supersede, in a State such as yours, the direct distribution of Federal surplus foods, so that you should continue that program and that will take care of the people who have no money. They can still go ahead with the program which is now in effect in many counties in Pennsylvania and in your own State of Kentucky. As a matter of fact, it is Pennsylvania, Kentucky, and West Virginia that are now getting the highest amount of free Federal surplus food direct distribution. We are getting it. So you are being taken care of.

Mr. STUBBLEFIELD. I just do not see it.

Mr. JOHNSON of Wisconsin. I know from my experience in some of the rural areas where a town administers relief, they do not give them any money. They go to the grocery store and buy the food and the county pays the bill. They tell the grocery man that the man does not get any money at all, he gets the right to buy. That is the way it was done 10 years ago.

Mr. FULTON. Do you not think that it is much better, from the point of view of good programing, that the local customs be adhered to? That is why I favor this program. I would want your people, if they distribute their relief on that basis, to continue and to have that choice to do so.

Mr. JOHNSON of Wisconsin. I am just saying our situation is like Mr. Stubblefield's. They do not get the cash; they go to the store and get the food.

Mr. FULTON. I would say this to your local municipality, if they would arrange for the recipients to buy the stamps, that the local municipality is really getting 33 $\frac{1}{3}$ percent approximately more for its money at the food store through the purchase of Federal food stamps under this program.

Thank you, Mr. Chairman. These are all of the statements I have now.

The CHAIRMAN. Mr. Beermann.

Mr. BEERMANN. I have just one question. I would like to ask you what you think will happen to this program when there are no more surplus commodities or, let us say, where maybe the reserves are in the hands of those who produce them, instead of in the Government's hands?

Mr. FULTON. That will be a happy day when there are no more surpluses and this committee will look like the Smith Bros. on the cough-drop boxes, because that is so far ahead that it is like saying, "What is going to happen when the millennium comes?"

Mr. BEERMANN. We will have to write legislation to create surpluses like we have in the past.

Mr. FULTON. In fact, I am both pleased and surprised to have such a statement coming from the Agricultural Committee as a city Congressman. I am overwhelmed.

The CHAIRMAN. Thank you very much, Mr. Fulton. We appreciate your appearance here this morning.

Mr. FULTON. May I compliment the committee on its good work. I have many friends on the committee. I do appreciate this fine reception.

The CHAIRMAN. Let us go off the record for a moment.

(Discussion off the record.)

The CHAIRMAN. We will next hear from our colleague, Mr. Denton, of Indiana. And we will hear you tomorrow, Mr. McCullough.

Mr. McCULLOUGH. Thank you.

STATEMENT OF HON. WINFIELD K. DENTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. DENTON. Mr. Chairman and members of the committee, I want to thank you for this opportunity of appearing before the committee and since the hour is very late and I have a very short statement, I will read it, but first I would like to comment on a question that has been asked about how it is administered in Indiana.

There are two groups of people and one of those gets welfare, that is, old-age assistance and aid to dependent children, the blind, the permanently disabled, and that class of people. Of course, they are given payments and with that they can either buy stamps or the money is taken out of that and they are given the stamps.

Second are the low-income people. They are permitted to purchase the stamps. The third group are the people who are generally on relief.

In Indiana the township trustee is the overseer of the poor. I think in Kentucky it is the county judge, if I remember rightly. They have a staff set up that investigates the people who have no money, the poor.

Not only do those people need food, they need lodging, they need coal, and many things. A certain amount of money goes for food.

They have a system set up with the welfare to administer this, whereby instead of giving these people money they pay the money over to the welfare which gives them these stamps which works out very well. Those people do not have to go and get a basket and get the surplus foods and let it spoil. And some of it spoils even when it is kept by the welfare. That is the situation we have in Indiana. Here is my very brief statement.

The largest city in that district is Evansville in Vanderburgh County. The food stamp plan has been in operation in Vanderburgh County for approximately 2 months, and it has been a highly successful and popular program. A total of \$46,885 in bonus stamps has been issued there to 2,096 households involving more than 6,000 persons. The bonus stamps, on the average, have boosted the food dollar of these needy families by 60.8 percent. During the first 2 months of operation of the food stamp program in Vanderburgh County, the 2,096 eligible families have paid out some \$77,050 in cash for which they have received a total of \$123,935 in stamps, or actual food dollars.

In other words, these people, through the program being tried out in Vanderburgh County on this experimental basis, have been able to buy a full nutritional diet by investing only a portion of what they would normally spend on a bare existence diet.

I think the experience in Vanderburgh County, although only in operation for a short time, is sufficient evidence that this program should be extended to other communities, and for that reason, I heartily endorse H.R. 5733.

The CHAIRMAN. Thank you.

Mr. Latta.

Mr. LATTA. You mentioned that the welfare agencies handled the stamps. Do the banks not handle the stamps out there?

Mr. DENTON. They have to be certified through the welfare. The banks handle them, but welfare administers it. One agency in the county does that.

We had this trouble back in Indiana that the township trustees administer the poor. There were several of them. Welfare is the one that should administer. It is true that the banks handle them, but welfare is the one that certifies it.

Mr. LATTA. Why could not the welfare agency hand out the stamps at the same time they certify the family?

Mr. DENTON. I do not know why they could not. Maybe they could.

Mr. LATTA. They pay them 35 cents to issue these stamps.

Mr. DENTON. I think that is something to look into.

Mr. LATTA. That is all.

The CHAIRMAN. Thank you very much, Mr. Denton. Next is our colleague, Mr. Staebler, of Michigan.

STATEMENT OF HON. NEIL STAEBLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. STAEBLER. Mr. Chairman and members, I greatly appreciate the opportunity to appear before the committee to report the success of the pilot food stamp program in Detroit. Detroit was one of the eight pilot food stamp projects initiated in economically depressed areas in May 1961. It has therefore been in operation for approximately 2 years. I have reports on the first 22 months of operation.

In the first 22 months of operation the Detroit project distributed food coupons valued at about \$39 million. Of this total \$26 million was paid by coupon recipients from their earnings and welfare checks, and \$13 million was donated by the Federal Government.

The number of participants in the program or project varied from month to month with the peak occurring in April 1962, when 96,000 Detroiters received food coupons.

As the economy of an area improves the number of qualifying households declines. This has been the case in Detroit where the number of participants has decreased over 15,000 the past year due to an increase in local employment.

In order to determine the results of the pilot project the Department of Agriculture conducted a survey of low-income families in the Detroit area. The first survey was conducted in April 1961, before the food stamp project went into effect. The second was taken in September of 1961 after the program had been in operation 3 months.

To isolate the effects of the project and food consumption from other possible influences, a survey was carried out which used matched households. These are families who have not moved during the time between the two polling periods and whose incomes have remained substantially the same.

According to the survey the total value of food consumed by food stamp recipients increased 34 percent during the 3-month period after the initiation of the project. Since this additional food was distributed through retail stores instead of the commodity donation program, the value of the food purchased by the participants rose 52 percent over the same 3-month period. In other words, part of the increase was accounted for by the food they purchased, part to replace the food that had been contributed through the surplus food distribution program.

The survey revealed that in most instances the projects enabled the participants to substantially narrow the consumption gap between themselves and families in the same area with incomes which put them above the eligibility limit.

The study also disclosed that retail food sales in low-income portions of Detroit in the project month of September were running 5 percent ahead of the 3 project months of April, et cetera. Of the low-income families surveyed in Detroit 48 percent of the food stamp recipients enjoyed good diets as opposed to 28 percent of the non-recipients.

A good diet is defined as one which supplies the family with 100 percent or more of the required intake of each of the eight nutrients recommended by the National Research Council.

It was also noted that a higher percentage of food-stamp families had good diets in September than in April when they participated in the commodity donation program.

As is often pointed out, malnutrition, generally, is a result of an excess of starch and a deficiency of other needed foods. The survey revealed that over 80 percent of the increased food-purchasing power made available through the project in Detroit was expended on animal products, fruits, and vegetables.

To qualify as a food coupon recipient a household must be declared in need of food by local public welfare agencies. The eligibility standards for the program are, essentially, the same as those used in the commodity donation program which previously operated in Detroit.

A series of interviews conducted to determine group attitudes in Detroit revealed widespread support for the pilot project. Over 90 percent of the participating families favored the food stamp approach over the direct donation of surplus foods, as did a large majority of moderate and high-income families surveyed.

Nearly all retailers queried expressed their hopes that the program would be continued and in addition many local welfare workers indicated the belief that the food stamp program was more effective than the commodity donation program in increasing food consumption among low-income families.

On the basis of Detroit's experience I warmly recommend the expansion of the pilot project into a national project.

The CHAIRMAN. Thank you very much. Are there any questions?

Mr. HUTCHINSON. In Detroit how often do the welfare people re-appraise this list of people—is it every month or every quarter or every 6 months?

Mr. STAEBLER. Theoretically it is every month. When administrative funds are inadequate for the workload it does not occur that often.

Mr. HUTCHINSON. More likely about once every 3 months?

Mr. STAEBLER. That would be the case sometimes—surely it extends into something like that period.

Mr. HUTCHINSON. That is all.

The CHAIRMAN. Mr. Latta.

Mr. LATTI. Do the banks handle the stamp sales in Michigan?

Mr. STAEBLER. I am not sure that this is not subject to some local option, but my impression is that this is handled by the welfare people directly in Detroit.

Mr. LATTI. That is all.

The CHAIRMAN. Thank you very much.

Mr. STAEBLER. Thank you very much.

(The following statements and letter were also submitted to the committee:)

STATEMENT OF HON. JOHN M. SLACK, JR., A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF WEST VIRGINIA

The proposal presently before this committee, a bill designed to strengthen and expand the pilot food stamp plan, is one to which we can give consideration on the basis of proven practical experience. We are in the happy position of being able to study an established record, and because of the extent to which this program has been pursued in my native State of West Virginia, I am very much interested in contributing some factual material to that record for the guidance of committee members.

I believe the evidence would support the statement that this pilot food stamp program has been universally successful in its application in West Virginia. When the program was first instituted in a few pilot counties I was among those who worked actively in support of this approach to improvement of the diet of indigent persons, and I believe the evidence which can be studied today supports our early conviction that the program would be successful.

The pilot food stamp program was installed in May, 1961, in eight counties; McDowell County, W. Va., was included in this first group. In November 1962, the program was expanded and three additional pilot counties in West Virginia were added—Logan, Mingo, and Wayne. All four of these counties are areas plagued by extensive long-term unemployment and have maintained unemployment rates ranging from 17 to 23 percent of the eligible employables annually during the past 5 years or more. In each of these counties there had been in existence an extensive distribution program of surplus commodities, and it had been found that the surplus foods alone simply could not meet the minimum standards of nutrition to keep individuals sufficiently healthy to be considered employable after retraining.

This factor, combined with the effects that were observed on the children of the unemployed, led to the strong interest in establishing some distribution program which would offer a balanced diet to the recipients, and out of these circumstances the need for the food stamp program became well established.

I would like to place before you a complete summary of the distribution to date under the food stamp program in the four participating counties.

WEST VIRGINIA DEPARTMENT OF WELFARE FOOD STAMP PROGRAM STATISTICS

The following represent participation in the food stamp program in the counties of Logan, McDowell, Mingo and Wayne :

MAY 1961 TO MAY 1963, INCLUSIVE

County	Cases	Budget group	Food stamps issued	Cash collected	Bonus stamps
McDowell.....	70,720	319,529	\$5,031,957	\$2,744,192	\$2,287,765

NOVEMBER 1962 TO MAY 1963, INCLUSIVE

Logan.....	11,744	52,073	\$824,454	\$481,396	\$343,058
Mingo.....	10,517	46,756	739,600	430,526	309,074
Wayne.....	6,830	30,471	485,830	282,702	203,128
Total.....	99,811	448,829	7,081,841	3,938,816	3,143,025

These figures cover the period from May 1961 to May 1963, but a more reliable current yardstick might be obtained by appraising the figures for the most recent month, May 1963, in the same four counties :

The following represents participation in the food stamp program in the counties of Logan, McDowell, Mingo, and Wayne during May 1963 :

County	Cases	Budget group	Food stamps issued	Cash collected	Bonus stamps
Logan.....	1,819	8,084	\$129,291	\$76,754	\$52,537
McDowell.....	2,565	11,591	187,358	113,316	74,042
Mingo.....	1,696	7,666	122,075	72,054	50,021
Wayne.....	1,093	4,868	77,531	45,288	32,243
Total.....	7,173	32,209	516,255	307,412	208,843

In Logan County, for example, the 8,084 persons who are members of 1,819 participating families constitute about 8 percent of the county population. In Mingo County 6 percent of the population participates, while 5.7 percent of the McDowell population is enrolled in the program and in Wayne County 9.2 percent of the population is in the program.

The reaction has been favorable from every standpoint. The principals and teachers in the public schools have testified repeatedly that the children do have better food and it is reflected in better morale in the classroom and better schoolwork. The students are generally healthier, with far more energy, and are better able to pay attention in class. Formerly it was a common occurrence for some of these children to go to sleep in class; investigation revealed that this drowsiness was simply the result of lack of nutrition. The attendance record has improved significantly.

The teachers in these counties have stated that they no longer must deal with children who come to school and then begin to cry because they have stomach aches. In fact, the children seem to actually enjoy their schoolwork and the number who have dropped out has been reduced to a minimum.

The operations of the program have made it possible for the limited income of the parents to be spread farther, and consequently the children are better dressed. There has been a notable decline in the number of free school lunches that must be served. There is less necessity for the school organization to conduct drives for secondhand clothing and shoes to be given to these children. Evidence indicates that family income is now usually sufficient to purchase clothing for the children from the savings made as a result of the food stamp program.

On the basis of reports we have received, there seems to be every reason to believe the nutritional health problem is improving rapidly and the resources being thrown open to the parents are being satisfactorily used. Teachers testify many of the children formerly reflected the general lack of energy consistent with a diet consisting mostly of starchy foods drawn from the sur-

plus commodities warehouse. With the food stamp program in effect the diet of the children now contains an adequate quantity of meat and milk and a large variety of fresh vegetables. This is definitely indicated by the greater desire of the children to participate in games and outdoor exercise.

Although the record reveals 7,173 families are presently participating in the program in the four counties, the supervisors state that they know of only 6 families which have violated the regulations by misrepresenting their income or the number of persons in the family. Immediate action was taken, and the effect on the other recipients was noted at once. There has probably never been a distribution program of any kind which encountered such a very small percentage of persons who were willing to advance their own interests selfishly by violating established regulations.

It would be possible to place in the record of the committee a large number of letters and testimonials from parents and public officials which would elaborate on the foregoing comments I have made. I do not believe this is necessary, because I know that others will testify along these same lines and I am confident you will receive from my colleagues from other States information generally parallel with what I have submitted.

One of the most helpful aspects of the matter has been the general support extended to the program by the retailers and food processors of the State. The retail grocers, individually and through their associations, have lent their support to the pilot food stamp undertaking consistently and have done everything they could to inform themselves and their membership about its operations. Among the dozens of retailers who have been designated as points of purchase under the food stamp program only a few have conducted themselves in such a manner as to merit investigation of their eligibility.

In general the food processors and retailers have supported the program because they feel it is fundamentally desirable to transfer the distribution of food from governmental agencies to established retail channels. They have studied the situation at firsthand and have established the fact that this method of distribution does actually permit the recipients to obtain the food which the family can use and will use.

There is no evidence of waste in the use of food obtained through the food stamp program. On the other hand, it was unfortunately true that some of the food distributed under the surplus commodities program was wasted, chiefly because improper quantities were distributed in relation to the number of recipient families at a given receiving station, and frequently certain foods were distributed in areas where such food had not previously been consumed, and consequently there was a conflict with the personal habits of the recipients.

In summary, therefore, I want to go on record in favor of the measure before the committee and I believe that the members of the committee can take favorable action on the bill with full confidence that the past record of operations of the food stamp program is so satisfactory that a further extension of the program is well warranted. This conclusion would appear to be fully substantiated by the fact that, as previously stated, virtually all of the public officials, schoolteachers, and officials endorse the program wholeheartedly, and 95 percent of the merchants in the four participating counties are active in the program also. Only two retail outlets have actually been removed from the program because of fraudulent actions in connection with the distribution of the pilot stamp foods.

Such a record must certainly merit the continued support of this committee and the Congress.

STATEMENT OF HON. CARL D. PERKINS, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF KENTUCKY

The distribution of agricultural surplus commodities in years of high unemployment has been quite successful for a number of years. Two years ago this project was supplemented by an experimental food stamp plan in a few counties, including Floyd County of the Seventh District of Kentucky which I am privileged to represent.

The reception of the food stamp plan was so outstanding that almost every other county in eastern Kentucky has made an urgent request that the plan be extended to them. It has been extended to 2 small counties nearby and now covers an area in which there is a little less than 100,000 population.

The net result of this plan has been to reduce substantially the number of recipients of surplus food with few complaints about this fact. The food stamp plan also requires that those recipients who have any financial resources pay

a certain percentage of the cost of these food stamps. The State welfare agency in cooperation with the county welfare offices has accepted the responsibility for certifying as to the eligibility of applicants and determining the percentage of the food stamps which must be paid for by the applicant. This in itself is no small responsibility but again both the officials involved and the general public have been well satisfied with this type of operation.

The food stamp plan continues to make available foods from the category of surplus commodities to the needy in the area along with other provisions which tend to provide a more balanced diet to the families of the unemployed. The general public and the merchants, in particular, have repeatedly expressed their approval of this plan in such volume that the public in adjoining areas actually feel that they are being discriminated against so long as they are limited to the distribution of surplus commodities.

Despite the fact that it is generally recognized that the plan of operation in the food stamp program will inevitably result in a reduction in the number of participants in the program and at the same time require a substantial portion of the participants to pay for a percentage of the food stamps which they receive, the neighboring areas are still clamoring for a chance to participate in this program. The fact that the county officials in these neighboring areas, where the rate of unemployment is unreasonably high and the tax base has been drastically reduced, have expressed a willingness to assume the increased cost of operating the food stamp plan is in my opinion the strongest endorsement of this program that could possibly be made. At the same time, the fact that the State of Kentucky, which includes many areas where economic conditions have reduced the tax base, has readily accepted the increased burden of certifying the eligibles is another endorsement that should be recognized as an enthusiastic acceptance of the plan.

Floyd County, with its 2 years' experience in the program, is one of the pilot counties and during those 2 years I have not received a single proposal from any citizen of that county that we return to the old plan of surplus commodities distribution.

While I recognize that there are undoubtedly a few individuals who receive surplus commodities and are now unable to comply with the eligibility requirements of the food stamp plan which are both stricter and more detailed in their administrative operations, their dissatisfaction or disappointment has not been of such magnitude as to cause opposition to the food stamp program.

It is my considered opinion that the food stamp plan is the most efficient and most effective program yet devised to provide food for the needy in areas such as southeastern Kentucky where the unemployment rate for the past few years has quite generally ranged from 25 to 45 percent. The distressed suffering in this area is almost inconceivable and many families are actually starving but many more have had their distress substantially alleviated by the distribution of surplus agricultural commodities and experience has clearly shown that the food stamp plan is the most effective and most popular yet devised for this purpose. This is not a case where only the indigent need aid but rather an area where thousands of families are experiencing actual starvation due to changing economic conditions which are entirely beyond their control. While some portions of this area are showing improvement, the end of the economic disaster is not in sight and the continued operation of the food stamp plan, though not a solution to the problem, is essential to prevent the starvation of thousands of families in this and other similar areas where this distress is too often equal to or in excess of that experienced in the great depression of the early thirties.

I urge this committee to approve the continuation and expansion of the food stamp plan to relieve actual starvation in those areas of high unemployment such as are found in many one-industry economies similar to the mining areas in Kentucky.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 14, 1963.

HON. HAROLD D. COOLEY,
*Chairman, House Committee on Agriculture,
House Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: At this time I would like to express my firm support of H.R. 5733, providing for the expansion of the food stamp program, which is currently before the committee for consideration.

Detroit was one of the original pilot areas for this program and has been operating under it for 2 years. In this time I have personally been able to see the benefits of the program, and the results have more than justified my initial efforts in bringing such a plan into being.

One of the main reasons this program has been effective in the Detroit area is because it has been under the supervision of Mr. Daniel J. Ryan, general superintendent, of the department of public welfare in Detroit. I cannot praise too highly the outstanding direction Mr. Ryan has provided.

In my opinion he is most qualified to give an accurate appraisal of the food stamp program, and I would like to have his following statement included as a part of the hearings.

My kindest regards.

Sincerely yours,

MARTHA W. GRIFFITHS,
Member of Congress.

STATEMENT OF DANIEL J. RYAN, GENERAL SUPERINTENDENT OF PUBLIC
WELFARE, CITY OF DETROIT, DEPARTMENT OF PUBLIC WELFARE

As one of the original pilot areas for the food stamp program, we have now operated under the program for 2 years. During the preceding 7 years, we participated in the direct distribution of surplus commodities. Our experience shows the food stamp program to be far superior to the direct distribution program. The total local administrative costs have been reduced. The needy and low-income families of our community now have the opportunity and ability to obtain a share of our abundance of food, and they have materially improved their diets. This urgently needed extra food, under the food stamp program, is food of their selection, shopped—with dignity—at their convenience and at the grocery store of their choice.

The program has removed the department from the grocery business, where it did not belong, and placed the distribution of food back into the regular channels of the food industry.

The pilot program was initiated in Detroit on July 5, 1961. Through May 31, 1963, a grand total of \$40,764,024 in food stamp coupons has been issued in our community. \$27,096,744 has been paid for these coupons by the participants, and \$13,667,250 in supplementary coupons was contributed to these participants by the U.S. Department of Agriculture. This \$13,667,250 represents completely new food-purchasing power benefiting not only the participating needy but all segments of the food industry as well.

From our experience, we would unhesitatingly recommend the food stamp program to any community. The legislation before you, in H.R. 5733, has been carefully reviewed, and appears to us to be an ideal vehicle to provide the communities of the Nation the opportunity to assist their needy, their local food industry, and the entire agricultural industry.

The CHAIRMAN. We will now recess until 10 o'clock tomorrow morning.

(Whereupon, at 12:20 p.m., the committee adjourned to reconvene at 10 a.m., Wednesday, June 12, 1963.)

FOOD STAMP PLAN

WEDNESDAY, JUNE 12, 1963

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to recess, at 10 a.m., in room 1310, Longworth House Office Building, Washington, D.C., Honorable Harold D. Cooley (chairman) presiding.

Present: Representatives Cooley, Poage, Grant, Gathings, Johnson of Wisconsin, Matthews, Stubblefield, Harding, Hagan of Georgia, Purcell, Duncan, Olson, Matsunaga, Hoeven, Dague, Belcher, Teague of California, Short, Latta, Dole, and Beermann.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John J. Heimbürger, counsel; Robert Bruce, assistant counsel; and Francis LeMay, consultant.

The CHAIRMAN. The committee will be in order.

We have several questions that we would like to ask of the Department, and Mr. Howard P. Davis, the Director of the Food Distribution Division, AMS, of the Department of Agriculture is here to answer them.

The first question is, Who is eligible to participate in the program?

STATEMENT OF HOWARD P. DAVIS, DIRECTOR, FOOD DISTRIBUTION DIVISION, AMS, U.S. DEPARTMENT OF AGRICULTURE

Mr. DAVIS. Generally speaking, those in the very low income groups. We have developed standards of eligibility in each of the States in cooperation with their welfare departments, their local officials.

These standards are usually expressed in maximum allowable income; in other words, perhaps a family of four cannot have over \$225 income a month and still be eligible. These vary area by area as economic conditions vary, as local welfare standards vary, but they are usually, however, geared to slightly above the local welfare standards. And in this way those persons who are receiving public assistance are eligible, because they have already been determined to be needy, elderly people on pensions that are inadequate for all of their expenses, in most cases people receiving unemployment compensation, those people who are only working part time or not at all, but still do not receive public assistance; generally it is on the basis of low income, rather than making specific groups eligible just because they are receiving unemployment compensation or because they are on pension.

The CHAIRMAN. The question was asked yesterday whether a pauper who is penniless would be eligible for food stamps since he does not

have any money with which to purchase the stamps. How is he taken care of in this program?

Mr. DAVIS. They would be eligible to participate in the program. One of the confusing things, perhaps, is that there is one standard, first, to determine whether or not a family is eligible to participate. This is the thing I was just talking about.

Then there is the second determination that needs to be made, and that is on the basis of family income and family size, how much they will be required to pay for their coupons.

According to the scales that we have developed in these various areas, this could run from zero up to quite a high figure for those families that have incomes up right near the limit.

So in direct answer to your question, if a person, after thorough investigation, has no discernible income, or after thorough investigation has a very low income, they get their stamps either free or at a very nominal figure such as \$2, \$4, \$6. This is determined on the basis of their income, so that they are not required to pay more for their coupons than they can afford to spend for food.

Mr. HOEVEN. Will the chairman yield?

The CHAIRMAN. Yes.

Mr. HOEVEN. Mr. Davis, may I ask this: Are you not, by adhering strictly to such a program, going to be feeding a lot of people who can possibly pay something—are you not going to have a large category of people whom you determine do not have any income whatsoever and give them free coupons?

Mr. DAVIS. First of all, we are insisting that the welfare departments do the best job possible on determining what the family's income is. If they have, say, a family of four that may have \$10, \$15, \$20 income, then they might have only to pay \$2 and they might get as much as \$40, \$44 in coupons for that \$2, so that the basic premise of the program is that it is proper and desirable for all of the participants to pay something out of their own pockets or out of their welfare check, or whatever income they have for these coupons, so that in most places we would have a rockbottom minimum purchase requirement, say \$2, if they have very small incomes, and then this is graduated upward as their income increases.

Mr. HOEVEN. Why do you not adhere to a minimum figure and then for those who cannot contribute anything, continue to give them the general relief they are now getting?

Mr. DAVIS. We consider any relief they get as income—that is income. If they get \$100 in aid to dependent children, that is income and we base the purchase requirement on that, because out of that \$100 they are already spending something for food.

Mr. HOEVEN. I am talking about the ne'er-do-well who has no income whatsoever.

Mr. DAVIS. He would get coupons either free or for a very nominal charge.

Mr. HOEVEN. I think it would be much better to set a minimum contribution figure and if one cannot contribute such minimum amount that individual will get his commodities in the way that he is now getting them, without the food stamp plan.

Mr. DAVIS. Well, in those areas where the food stamp program is operating, we do not feel that it is practical at the same time to operate

a direct distribution program to families. This is another point. There is no intention to discontinue the direct distribution to schools and institutions in any of these areas. That will continue as at present to the schools and charitable institutions, regardless of whether they come into the food stamp program, but the machinery to receive, store, and distribute commodities for a few people in a community which is also participating in the food stamp program, we do not feel is practical.

Now, for the person with no or very limited income, as I said before, they either get their coupons free or at a very nominal charge. This has worked out.

The CHAIRMAN. That is according to the rules of the welfare department. Do they not have to be certified by the local welfare office?

Mr. DAVIS. Yes, sir; in every case.

The CHAIRMAN. The welfare department first makes an investigation?

Mr. DAVIS. Yes, sir.

The CHAIRMAN. How are the person's purchase requirements determined, that is, how much would the family receive in coupons?

Mr. DAVIS. We have a number of studies, including, perhaps, the basic one, the 1955 food purchase study of the Department that was conducted to determine for a given-sized family income what they would normally spend for food out of that income. We use that as a sort of benchmark. Then that is modified in consultation with the State and local welfare officials in connection with the local economy and the local costs, the local picture. And this, then, in essence is for determination of what a specific family will have to pay for their coupons, and that is determined on the basis of what the average of all such families of a certain size and a certain income could be expected to spend for food.

Let us say that a family of four had an income of \$100 a month either from an ADC check—aid to dependent children—or some other relief, or from working a couple of days a week—whatever the source—and that they had about \$100 a month income. According to these studies, and I am using a hypothetical figure here—we would arrive at the fact that that sort of a family normally could be expected to spend about \$40 a month for food—\$10 a person, \$2.50 a week per person. This, then, would be the purchase requirement for that category of family—for all families of four with \$100 income—they would be expected to pay \$40, because this was determined to be about what that sort of family would normally spend for food.

The CHAIRMAN. How are the purchase requirements determined—how much do families receive in bonus coupons?

Mr. DAVIS. Very likely they would receive \$20.

The CHAIRMAN. \$20 for additional food?

Mr. DAVIS. Yes; they would spend \$40 of their own money at the stamp issuing office and they would get back \$60 worth of coupons. This would allow them to come a lot closer to what they ought to spend in order to get a nutritious diet.

The CHAIRMAN. Does that vary in each community?

Mr. DAVIS. It does not vary so much by community, as it does by the amount of income of the family. If that same family of four had, let us say, \$150 income, they would still be eligible in many places and

then they might be required to spend \$50 for their coupons and get back, maybe \$70 or \$75 in coupons.

The CHAIRMAN. How much does a family have to pay for coupons in order to participate in the program?

Mr. DAVIS. They are required to spend only what they might normally be expected to spend out of their income, and if they have no income they pay either a very nominal charge of, say, \$2 for the coupons for nothing at all.

The CHAIRMAN. The next question, Why do banks sell the coupons in some places, and who pays for this service?

Mr. DAVIS. We have allowed the States and the local communities to work out various mechanisms for selling the coupons. In most instances the public welfare agency certifies these people and also takes on the job of actually selling the coupons over the counter to the people.

The CHAIRMAN. Yesterday, Mr. Latta asked why the banks were doing this at all.

Mr. DAVIS. We do not feel that there is any necessity in having them do so, but in some communities, such as in Pennsylvania and Illinois and North Carolina and several other places, the welfare departments have felt that they could get a better job done in they hired the bank as their agent to sell these coupons to the recipients. In these instances the welfare department gives the bank full information on who is eligible and how much they have to pay for the coupons and how much they get in return. The recipient himself, when he goes to that bank, has a card which says how much he has to pay and how much the bank will give him back.

In some places, notably Pennsylvania, they have felt they could do the job cheaper by hiring the bank to do it than by having the welfare department set up its own offices.

However, this charge is paid by the State or the county welfare department, not by the recipient. The recipient does not pay in Pennsylvania for the services at the bank.

The CHAIRMAN. The recipient does not pay this charge?

Mr. DAVIS. The recipient does not pay it. The State and the county hiring the banks pay for it, instead of paying for it directly themselves by doing it themselves. In each case it is paid for by the county or the State and not by the recipient.

The CHAIRMAN. From what you have said the local welfare office makes all of the determinations as to the amount, the additional number of coupons. What does the banker do, then?

Mr. DAVIS. The bank merely uses its vaults and cages to receive the shipment of coupons from the Bureau of Printing and Engraving, to keep account of them, to actually handle the transaction of selling them over the counter to the recipients, getting the money back, depositing the money to the account of the Federal Government and getting out reports.

The CHAIRMAN. In other words, the coupons have to be accounted for and kept in safe custody?

Mr. DAVIS. Yes, sir.

The CHAIRMAN. And you might have to employ additional persons to handle this work if you did it in the welfare department?

Mr. DAVIS. They are used to handling money, that is, the banks. The welfare department usually handles checks, not money.

It is somewhat analogous to the way that the Government savings bonds are sold by the banks.

Mr. HOEVEN. Will the chairman yield?

The CHAIRMAN. Yes.

Mr. HOEVEN. What is the amount of the fee paid to the banks?

Mr. DAVIS. In Pennsylvania the State has contracted with the banks to do this job for 35 cents a transaction which means that a family of four; that is, the head of that family goes in and purchases coupons for his family and lays down the \$40 and gets \$60 worth of coupons back. That is a transaction.

In Franklin County, Ill., the banks are charging the State \$1 per transaction and the State is willing to pay this.

Mr. HOEVEN. Why should not you fix a minimum figure?

Mr. DAVIS. Well, we do not feel really that it is any of our business. This is not Federal money that is being used to pay these banks. This is State and local money.

Mr. HOEVEN. It is taxpayers' money.

Mr. DAVIS. Yes, sir.

Mr. HOEVEN. Is not \$1 a rather excessive fee for handling a transaction?

Mr. DAVIS. Well, neither the banks nor the Illinois officials seem to feel that it is.

Mr. HOEVEN. What do you say?

Mr. DAVIS. I would say that if they can do it for 35 cents in Pennsylvania that they ought to be able to do it for a comparable figure in Illinois, but here again this is really none of our business.

Mr. JOHNSON of Wisconsin. I understood one of the witnesses from Pennsylvania to say that a person could not buy less than \$50 worth at a time. Do you know whether that is correct or not?

Mr. DAVIS. No, sir; it is not correct, upon this standpoint: We are talking about the purchase price. The purchase price as I mentioned could be zero, in some areas where we have that arrangement, where they have no general assistance, so that if the person is employable and out of work, his family cannot get a nickel anywhere, he may have absolutely no money, in those instances he may have to pay only \$2, a very minimum fee, or nothing, and he would get back considerably more value in coupons.

It may be that the question was raised in this regard, however, that we do set a specific amount for each family group that they must pay, and a specific amount of coupons that they get back, so that a family cannot go in and say, "Well, look, you tell me if I pay \$40 here I get \$60 worth of coupons. I would like to give you \$50 and get \$60 or \$70 worth of coupons." They cannot do that. They have to buy the predetermined amount, but the amount they pay is geared to their income, and it can go from zero up to the top.

Mr. JOHNSON of Wisconsin. What if a man comes in and says, "I have only \$20—I want to buy on the quota that I am allowed." Would they sell them to him or would he have to buy the full amount?

Mr. DAVIS. The welfare department, in certifying, determines that his income is, let us say, \$100 a month and there are only four persons in his family, and on that basis they have set his purchase requirement at \$40 which is about what he has been spending for food all along and if he comes in with \$20 they would not sell him the coupons.

He would have to pay the \$40. There is this arrangement, however, that in most places this man may buy twice a month, so that, actually, the first of the month he would pay \$20 and get back \$30 in coupons and the 15th of the month next he would come in and pay another \$20 and would get back \$30 in coupons.

Mr. SHORT. Mr. Chairman, I have a question.

The CHAIRMAN. Very well.

Mr. SHORT. I would like to clarify, if we possibly can, the question of these minimum payments by families who have virtually no income.

If I understand you rightly the welfare board has authorized in certain instances minimum payments for as little as maybe a couple of dollars.

Mr. DAVIS. Yes, sir.

Mr. SHORT. In which event this individual would be entitled to receive the maximum amount of coupons necessary to provide food for that family. Do I understand that rightly?

Mr. DAVIS. No, sir. The amount of coupons that a given family gets back is, also, geared to the amount they normally have been spending for food and this works out this way: The man who has virtually no income and, perhaps, only has to pay \$2 for the coupons gets back a total amount of coupons, including the \$2 worth he paid for which would be less than a man who had \$100 income and paid \$40. Let me give you this illustration.

Mr. SHORT. This gets back to the very basic question that we seemed to be wrestling with here yesterday. How does this family that perhaps is in the greatest need because they have no income at all secure the adequate amount of coupons to enable them to secure the amount of food they need?

Mr. DAVIS. The family that needs it the most pays the least and gets the greatest percentage of bonus coupons. Let me give you two concrete examples, if I may, from an actual "basis of issuance" table that we have used.

The family with no income or very small amount of income, say—

Mr. SHORT. Let us take a family with no income—this is the point that I think that we need to clarify—they are a complete welfare case.

Mr. DAVIS. Well, now, wait a minute—you have to draw the distinction between the family that is a welfare case—they have income—they are not one of these no-income cases.

Mr. SHORT. The income they have is public assistance.

Mr. DAVIS. Suppose that there is a place where they have no general assistance—there is no public assistance available to this family at all?

Mr. SHORT. Put this in the category where there is public assistance in effect—let us clear that up.

Mr. DAVIS. Then they have income; and, therefore, they pay part of that public assistance grant for their coupons. If this family of four—

Mr. SHORT. Let me clarify this, what part of the public assistance grant would be applied to the purchase of these coupons?

Mr. DAVIS. The same part as if the family were earning that amount of money by working 2 days a week. Take two families of four, one is receiving aid to dependent children assistance—they get an ADC check for \$100 a month. Another family over here is receiving no

public assistance of any sort. The man is working 2 days a week. He has an income of \$100 a month from his job. Both of these families of four would have \$100 income. Therefore, both would pay the same amount for their coupons and get the same bonus. It is based on income and not the source of the income.

Mr. SHORT. All right, but I am still going back to this non-ADC, this straight welfare case, and that of the individual or the small family that has no income—they are not an ADC case or anything else—they just do not have any income.

Mr. DAVIS. They are getting no form of public assistance, sir?

Mr. SHORT. Yes, they are getting some form of public assistance from the welfare.

Mr. DAVIS. They are in the same boat, then, as the ADC family—they are getting public assistance—they are getting general assistance.

Mr. SHORT. All right, now the point I want to clarify is this—if I understand you rightly for a couple of dollars they can secure the coupons to buy the food that they need, even though the value of these coupons might be up to as much as \$40?

Mr. DAVIS. Yes, sir.

Mr. SHORT. Is that right?

Mr. DAVIS. Yes, sir.

Mr. SHORT. Let me ask just one more question right there. If this is true does not this tend to substitute this Government payment for these commodities at the grocery store for the payment that would normally have been made by the welfare board?

Mr. DAVIS. No, sir; for this reason: Let us reduce this to dollars. This is a straight-welfare family, and by that I gather you mean that they are getting what the pros call "general assistance."

Mr. SHORT. Supposedly something to take care of their needs.

Mr. DAVIS. Let us say that on this general assistance they get \$50 a month—that \$50 is supposed to cover their food, rent, utilities, maybe something else. Out of that \$50, regardless of what it is intended to cover, that family has been spending something for food to live on. Maybe they have been spending \$20 a month out of that \$50 for food; more likely they are spending \$25, that is, for food. That is out of this welfare money.

In order to make sure that the local people do not substitute this for their welfare check and reduce that \$50 check to something else, they must, out of that welfare check, spend for the coupons what they would normally be spending for food. And let us say that it was \$20. They would have to take \$20 of that \$50 welfare check and use that to purchase coupons, in return for which they might get as much as \$40 or \$50 worth of coupons. So that this is designed to insure that from whatever income source they have, welfare, ADC, odd jobs, anything, they will do that. We attempt to find out what their income is. And on that basis judge how much of that they would have normally to spend for food in order to keep alive, and we would charge that amount for the coupons in order to insure that they did not substitute the Government coupons for their public assistance.

Mr. SHORT. You have me confused again, because I understood you to say a few minutes ago that for a minimum amount, a minimum payment of as little as \$2, I believe that was the figure that was used, a family or an individual could buy the amount of coupons that he needed to fulfill the food needs. Did I understand you wrong?

Mr. DAVIS. No, sir; except that I think that we are using the term "income" wrong. You are saying that if this family is getting welfare they have no income. We are saying that welfare payments are income. If that family is on welfare, then they have income; then they have to pay this calculated amount. In those areas of the country where they have no welfare and, unfortunately, there are large areas of the country where this is true, including the District of Columbia, where families with employable persons can get no form of public assistance, they cannot get welfare, they have no money coming in from any source except maybe an odd job here and there they may pick up \$10 a month from—that is the family that would pay the \$2 and get back maybe \$40. The family on welfare that is getting \$50 has \$50 income, so that they would pay for perhaps as much as \$20.

Mr. SHORT. I think I understand it now. Thank you.

Mr. LATTI. I am interested in knowing who drafted this bill—was it drafted by the Department of Agriculture or the Department of Justice?

Mr. DAVIS. It was drafted in the Department of Agriculture. It was worked over very thoroughly by the Department of Justice.

Mr. LATTI. Stop right there. It sounds to me when I read this bill from page 8 on, that the Justice Department drafted the language.

The CHAIRMAN. Let me interrupt you at this point to say that I think this came up from the Secretary of Agriculture to the Speaker of the House and it seems to me that Mrs. Sullivan introduced it. That is my recollection of it.

Mr. LATTI. He was commenting on the activities of the Justice Department.

The CHAIRMAN. All right.

Mr. DAVIS. The parts to which you refer were based on experience with the old food stamp program in 1939 to 1943—in part upon our experience with the pilot projects, too.

The necessary legal guarantees were developed on the basis of that experience. This was reviewed by the Department of Justice very carefully for completeness. And I would say that they were developed pretty largely from the standpoint of whether we would have penalties—if we were going to have to apply penalties for violations of this program, then we must provide adequate safeguards and due process for persons who might be injured or might be affected by prosecution or by other action if they violated the program. So the attempt was made to give everyone full opportunity for review in the judicial processes. That is the reasoning behind these sections to which you refer.

Mr. LATTI. I would like to ask whether or not it is just a little bit out of the ordinary for the Department of Agriculture to send a bill down to the Department of Justice while preparing it for submission to the Congress?

Mr. DAVIS. No, sir; that is the requirement of the Budget Bureau, I believe, that all departments of Government, of the executive branch, that might possibly be affected or be concerned are given an opportunity to review the bill. This was done also with the Department of Health, Education, and Welfare, and with Treasury.

Mr. LATTI. And when this bill was sent to the Justice Department, was it anticipated that they would come into the picture?

Mr. DAVIS. That the Justice Department would what?

Mr. LATTI. That they would come into the picture the way it is drafted?

Mr. DAVIS. Oh, absolutely, they have already come into the picture under the pilot operations in that we had a few serious violations, we thought, which we have referred to the Justice Department for proper prosecution under the general statutes of presenting a false claim to the Government and various other statutes. As a matter of fact, out of these 8,000 grocers there have been few violations. I think they actually got convictions in five instances. This is done normally—this is a function of the Justice Department.

Mr. LATTI. Let me preface my question by saying that since I have been a Member of Congress I have supported civil rights legislation and I probably will support civil rights legislation if any is presented in this session, but the way this bill is written and if it is passed the way is written, would it not be possible to enforce civil rights legislation by withholding foods from needy areas until they did whatever was directed by the Justice Department?

Mr. DAVIS. The only instance—

Mr. LATTI. To require submission; that would be possible, would it not?

Mr. DAVIS. It is possible under any of our programs. This is possible under the direct distribution program. If a State is violating the regulations, is not living up to its responsibilities, is not doing the proper certification job, our only and final recourse which, of course, we have very seldom had to resort to, is to say, "You can no longer participate in this program—you, State X, can no longer distribute this food." And this is the same sanction or the same last resort that we have for most of our programs to withhold the program if the State absolutely refuses to live up to it.

Mr. LATTI. It gives the Federal Government one more lever or one more club to use in its drive toward complete integration in the South.

Let me read this language to you before you answer the question. It is on page 9, line 12, where you say in the bill:

In the administration of the food stamp program the State agency shall not discriminate against any household by reason of race, religious creed, national origin, or political beliefs.

And on page 10 it says, line 20, it states:

If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this act, or with the regulations issued pursuant to this act, or with the State plan of operation, the Secretary shall inform such State agency of such failure and shall allow the State agency a reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary may require that there be no further issuance of coupons in the political subdivisions where such figure has occurred, until such time as corrective action satisfactory to the Secretary has been taken.

That is just about as plain as you can state it, and I do not see how you can answer that question any other way.

Mr. GRANT. Is that not civil rights legislation?

Mr. LATTI. I am trying to find that out. I am asking whether or not this would be another lever that could be used to enforce civil rights.

Mr. DAVIS. In any State—

Mr. LATTI. Or political subdivision.

Mr. DAVIS. Or political subdivision thereof, if it did not follow the legal requirements of this bill—did not follow any of the regulations and refused to follow them, we would be forced to say that the State or political subdivision could no longer participate.

Mr. LATTI. Let me ask you another question. The way this bill is written, the Secretary of Agriculture could designate the U.S. marshal to act in his stead to enforce this act, is that true or not, and before you answer that question, let me read to you from page 8, line 20, where it states:

The Secretary may exercise any power, duty or discretion vested in him under this act through such person or persons as he may designate.

And there is no limitation on who that person or persons may be. Do you not think that is kind of a broad designation of power?

Mr. DAVIS. To answer your first question first, I believe in reading that section that it is apparent that a remedy against a State if they do not live up to the law or the regulation is to withhold the program from them, and we would merely not give them any more coupons to issue. This would not require a Federal marshal or anybody else. We just would not ship them any more coupons.

In answer to the second question—

Mr. LATTI. Why do we need this section providing that the Secretary can give this power to anybody—cannot the Secretary himself carry out the provisions of this act? Why should he be permitted to designate some other person to carry it out?

Mr. DAVIS. That is the basic principle of organization. The Secretary cannot sign all of the million and one documents that are required to be signed in the Department of Agriculture, nor can he actually, personally, physically carry out all of the functions that are assigned to the Department of Agriculture.

He delegates practically all of his functions to some other individual in the Department.

Mr. LATTI. Within the Department of Agriculture, yes, that is within the Department of Agriculture. This is the first time, to my memory—and I have been on this committee for 5 years—that I have seen that language put in anything.

It has not been present before as to somebody outside of the Department of Agriculture.

Mr. DAVIS. We have that in other Department legislation, from this standpoint, that if there is another agency of Government that is set up to perform a certain function and they can do it in cooperation with us, it would be silly for us to set up a duplicate function within the Department, if we could make a cooperative arrangement. And we do that in many areas.

The CHAIRMAN. Let me interrupt please. I have some more questions to ask, two more at least, of the witness, and we have several more witnesses waiting. One witness I kept over from yesterday.

Let me ask you the questions:

Do as many people participate in the food stamp program as in the commodity donations program?

And the next one is, If this program eventually becomes a nationwide program, how would you provide food assistance to victims of natural disaster?

You can put your answers to those questions into the record at this point.

(The information follows:)

Question. Do as many people participate in the food stamp program as in the commodity donation program?

Answer. We have found that, on the average, about two-thirds as many people participate in the food stamp program as in the family donation program. We believe that the reasons for this are as follows:

(a) In the course of any complete recertification of families, a substantial number will be found who no longer qualify because their incomes exceed permissible levels and others may not reapply for a period of several months. We have found this to be the case even in those areas that do not have the food stamp program but where local authorities have announced there will be a recertification of families receiving commodities.

In addition, of course, the food stamp program has been initiated in a time of increasing employment in many of the designated areas and since the program is responsive to economic trends it is to be expected that fewer families would be eligible than was true for the donation program.

(b) As the Secretary noted in his statement before the committee, some families whose income is close to the maximum limits for the size of family and for whom the value of bonus coupons represents a marginal improvement in food purchasing power, are reluctant to commit the amount required to purchase food coupons.

We have followed this situation very carefully and, based on the few complaints received by this Department and the local welfare officials in participating areas, we have concluded that we are reaching those who most need and want additional food purchasing power.

Question. If this program eventually becomes a nationwide program, how would you provide food assistance to victims of natural disasters?

Answer. We would under any circumstances continue the donation program to schools and institutions. There would be available in storage and in the pipelines adequate quantities of all available foods to meet virtually any situations where a flood, tornado, or hurricane had caused a breakdown in the normal distribution of food.

Mr. STUBBLEFIELD. Is that a monthly allowance, the \$2 for the unemployed and public assistance, or the person who does not have any money? Does that take care of the monthly allowance?

Mr. DAVIS. All of the figures I have been using have been monthly; yes, sir.

Mr. STUBBLEFIELD. The \$2 takes care of that, for most of their requirements for eligibility?

Mr. DAVIS. This might get him back as much as, say, \$40 or \$44 worth of coupons; yes, sir, for a month.

Mr. STUBBLEFIELD. That is all.

Mr. HOEVEN. Is the recipient of food stamp coupons required in any way, when redeeming his coupons, to purchase any item which is in surplus or is manufactured from agricultural commodities?

Mr. DAVIS. Under the proposed bill, and as well under the way we have been operating with the pilot project, the holder of the coupon may use them to purchase any food for human consumption in the grocery store.

Mr. HOEVEN. He is not required to buy any item in surplus or manufactured from surplus agricultural commodities?

Mr. DAVIS. No, sir, but he does.

Mr. HOEVEN. Therefore, this actually hinders the surplus disposal program, does it not?

Mr. DAVIS. No, sir, because our studies have shown that he has not only continued to buy——

The CHAIRMAN. In effect, he could buy Russian caviar and the like?

Mr. DAVIS. But our studies show that they do not.

The CHAIRMAN. They could use Federal funds designated to the relief agencies to keep the caviar and similar businesses going?

Mr. DAVIS. Well——

Mr. TEAGUE of California. If you will yield.

The CHAIRMAN. Yes.

Mr. TEAGUE of California. Or other products as well, such as Mexican lettuce, tomatoes, and oranges.

The CHAIRMAN. Yes, thank you very much.

Mr. DAVIS. Thank you.

The CHAIRMAN. We will now call our next witness, Mr. John McCullough of Philadelphia, Pa.

Do you have a prepared statement?

Mr. McCULLOUGH. I have, Your Honor.

The CHAIRMAN. You may proceed.

STATEMENT OF JOHN W. McCULLOUGH, PHILADELPHIA, PA.

Mr. McCULLOUGH. It gives me great pleasure to appear before your committee in support of H.R. 5733. I have operated a general food market in the city of Philadelphia for over 25 years, and I am one of thousands of small food merchants in the Greater Delaware Valley area of Pennsylvania. I feel that I am well qualified to speak in behalf of this legislation as over 75 percent of the people who live in the neighborhood where I now operate my foodstore receive surplus food.

I have a wife and five children to support. I have two daughters now attending college in Washington, D.C., and in a few years my three sons will be entering college. I have worked extremely hard and for long hours throughout the years to give my family the privilege of receiving a college education. I feel that if our children are to become an asset to our country, a college education is compulsory.

Many food merchants in my city, as well as other cities, are finding it very difficult to remain in the food business particularly in areas where surplus foods are being distributed to so many people throughout the Nation. It is impossible to expect people to buy food from the food merchant when they can get it for nothing. Such competition is not, I feel, the intended policy of our Government. Many of the small merchants have worked hard and have invested everything they have in their small businesses. It is almost impossible for them to make the transition to another business without losing almost everything that they have invested. Most of them have reached the age when it is very difficult for them to secure employment or to start in another business. We as food merchants feel that the Government has carefully guided and assisted the farmers throughout the Nation for many years. We are taxpayers and citizens of the United States and most of us have made a tremendous and worthy contribution in helping to build citizenship in neighborhoods in which we operate.

We have great faith and confidence in our representatives in the Houses of Congress, and we sincerely feel that you are deeply concerned about the nature of our problems and of those who are receiving surplus foods. We believe that you will help us find a solution to these problems if it is humanly possible and that is why I so eagerly and proudly accepted the invitation extended to me by Mrs. John B. Sullivan of the Third District of Missouri to come to Washington and testify before this committee. I am extremely grateful to her for extending to me this invitation.

I wish to discuss briefly the surplus food program in the city of Philadelphia which has created a grave problem for the small food merchant and for the citizens who, by the force of circumstances, receive the benefits of the present program. We feel that the only solution to the problem of the small food merchant and to elevate the human dignity of those now participating in the surplus food program is to substitute a food stamp plan which the Government is now operating on an experimental basis. The proposed program would benefit the present recipients of surplus foods and would do much to revitalize and stimulate business for the small food merchant who is struggling to survive.

In my city I have seen many women pushing baby carriages for long distances to food distribution centers and returning to their homes with these carriages filled with surplus foods. Many of them have inadequate refrigeration and storage facilities, and many of the foods spoil and become unfit for human consumption. I have visited the food distribution centers and seen women of all ages and children standing in long lines, often blocks long, who turn their faces so as not to be recognized. Often many of these persons are crippled and disabled, and during the winter months are forced to stand in line in rain, sleet, and snow to receive their allotments of surplus foods. No instructions are given in the proper use and preparation of much of the surplus food distributed, and consequently it is wasted and often winds up in garbage.

If the food stamp program is adopted, I am sure you will agree that much will be done to raise the level of dignity of these unfortunate persons by enabling them to purchase food stuffs from their local and neighborhood merchants. They will be able to buy the foods that they desire and know how to prepare. Further, the food stamp program will enable them to obtain food in larger quantities with increased nutritional values particularly for small children. Many of these people made great sacrifices and contributions to help make our country great. Many of them are veterans of our various wars who have, for one reason or another, been unable to find adequate employment to provide for their families.

The food stamp program has been endorsed for Philadelphia by our mayor, the commissioner of welfare; and Members of Congress from our area who are aware of this problem. In Philadelphia at the present time there are 109,633 persons receiving public assistance. There are 53,790 families receiving surplus foods. The unemployment statistics for Philadelphia show that approximately 12 percent of the population is now unemployed, and the racial group with which I am identified has even a higher percentage of unemployment considering its relation to the total population.

I am a member of the Frankford-Quaker Grocers Association with a membership of over 3,500. This association has wholeheartedly and unanimously approved the proposed program, and at its recent meeting selected me as its spokesman. This program has also been endorsed by the Wholesale Meat Dealers Association of Delaware Valley.

Increased sales and consumption of animal and agricultural products through retail stores will contribute greatly to a reduction in our surplus farm products and a great reduction in administrative and distributive costs. Our commissioner of welfare informed me that it costs the city of Philadelphia approximately \$800,000 per year to store and distribute surplus foods in Philadelphia.

I therefore implore your honorable committee to pass H.R. 5733 which will extend the benefits of this great program to our entire country. As a small food merchant, representative of the thousands of food merchants in our area, I want to express gratitude for permitting us to share in the benefits of this great program.

The CHAIRMAN. We thank you very much for your fine statement. We are very glad to have had you appear before the committee.

Mr. McCULLOUGH. There is one other thing before I leave, Your Honor. I have brought to Washington an excerpt from the Washington Daily News. I do not know whether any of you have seen this, but if you have not, I would suggest that you try to find a copy of it, because it is almost imperative that you should know and have in your hands this information.

The CHAIRMAN. What date is that?

Mr. McCULLOUGH. The date of this is June 10, 1963.

The CHAIRMAN. What is the headline?

Mr. McCULLOUGH. The headline is, "Food Dole Here Is Still a Mess." And if you read the information here I am sure that you will agree with me. It is really a mess.

The CHAIRMAN. Will you leave it with the reporter and I will have it filed in the committee files where it will be available for anyone to study.

Mr. McCULLOUGH. Thank you. I will leave it with the reporter.

Mr. LATTI. You are apparently familiar with the operation of this pilot project in the Philadelphia area?

Mr. McCULLOUGH. Well, the pilot operation is almost similar, just like the other.

Mr. LATTI. You testified that you represent this group of merchants out there and that you are a merchant yourself.

Mr. McCULLOUGH. That is correct.

Mr. LATTI. So apparently you are familiar with the operation of this project?

Mr. McCULLOUGH. I am.

Mr. LATTI. Can you tell me whether there is any indication of discrimination because of race in the administration of this particular pilot program in Philadelphia.

Mr. McCULLOUGH. The race issue does not enter into it. In fact, I find no discrimination when it comes to a program like this, in no case.

Mr. LATTI. In the pilot project?

Mr. McCULLOUGH. The pilot project is not in Philadelphia, sir; it is in other areas, Pittsburgh—other areas, but we have never been able to get it for Philadelphia.

Mr. LATTI. I am glad to hear you say that, because you have cleared that up.

Mr. McCULLOUGH. Yes.

Mr. LATTI. Thank you.

The CHAIRMAN. I want to thank you again very much for your appearance.

Mr. McCULLOUGH. Thank you again and thanks for the reception.

The CHAIRMAN. I will place into the record at this point, without objection, a statement by our colleague, Mr. Jennings of Virginia.

(The prepared statement of Hon. Pat Jennings follows:)

STATEMENT OF HON. W. PAT JENNINGS, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF VIRGINIA

Mr. Chairman, members of the committee, thank you for the opportunity of presenting this brief statement in support of H.R. 5733, a bill to continue the pilot food stamp program on a permanent basis. I urge the committee to favorably report this legislation to the House.

Many of you now serving on the House Agriculture Committee will recall that, while I was a member of this committee, I favored the fullest use of our agricultural abundance for a broad range of activities to benefit our people. These included the direct distribution of surplus food commodities, the school lunch and school milk programs, institutional feeding, and others.

One of the first bills that I sponsored as a freshman in the 84th Congress was to authorize the processing of wheat and corn into a form suitable for home and institutional use. Since that bill became law in 1955, this processing of grain has continued on a permanent basis and millions of pounds have been donated to those in need, to schools and to institutions.

Various counties of my congressional district in southwest Virginia have utilized the direct distribution program. It has helped meet the needs of hundreds of families. These counties are eligible for the area redevelopment program and local, State, and Federal governmental efforts are underway to improve the economic situation. But, it is a long-range effort.

Last fall three counties and one city formerly using direct distribution were designated eligible for the pilot food stamp program. These were the counties of Dickenson, Lee, and Wise, and the city of Norton. The stamp plan was inaugurated early this year after details were completed with State and local officials. Generally speaking, the operation is conducted in a manner already outlined earlier this week by the Secretary of Agriculture. The local superintendents of welfare certify the eligibility of applicants and administer the program.

The food stamp program has been well received in those areas I have mentioned. I have secured reports from the local superintendents of welfare; from the Federal food stamp office; and have talked with several residents of these four political subdivisions. The programs is well on the road to being one of the most successful operations ever undertaken. There have been a few complaints but they are relatively minor.

These families participating in the program regard it as much more effective in giving them a balanced diet.

The merchants have been high in their praise.

It has given an economic uplift to the areas participating.

The following comment is taken from a report of the Wise County Superintendent of Public Welfare:

"The program has been quite favorably received by the public, the merchants, and the recipients. Recipients can purchase needed foods with more pride and self-respect than they could be carrying a 30-day supply of commodities home for which they were forced to hitch-hike, hire a taxi, etc., as the disabled, elderly and large families could not carry anywhere from 150 to 200 pounds of food home. Under the present program, they shop where they

please and when it is convenient with them. They can purchase fresh fruits, milk, etc., as needed, rather than do without them as they did under the direct distribution program."

The program, as summarized for the month of May, reveals the following facts for my eligible areas:

Dickenson County—511 families or 2,418 persons participated. Bonus coupons issued, \$17,562; value of coupons purchased by participants, \$9,936; total program for the month of May, \$27,498. Twelve percent of Dickenson's population is participating.

Lee County—573 families or 2,883 persons participated. Bonus coupons issued, \$20,700; value of coupons purchased by participants, \$12,809; total program for the month of May, \$33,590. Eleven percent of Lee's population is participating.

Wise County—923 families or 4,378 persons participated. Bonus coupons issued, \$34,822; value of coupons purchased by participants, \$13,152; total program for the month of May, \$47,974. Ten percent of Wise's population is participating.

City of Norton—79 families or 339 persons participated. Bonus coupons issued, \$2,392; value of coupons purchased by participants, \$1,527; total program for May, \$3,919. Almost 7 percent of Norton's population is participating.

The totals for the Virginia program in May are thus: 2,086 families participating, or 10,018 persons; value of bonus coupons issued, \$75,476; value of coupons purchased, \$37,424; total value of the stamps for the month, \$112,981.

You can see very easily the impact that \$112,981 in expenditures for food would have on the diets among eligible families and on the economy of the area.

Mr. Chairman, I have found this to be a well-planned and administered program. It is of tremendous benefit to the people in the eligible areas. It helps not only those in need, but our farmers who produce the foods purchased.

I believe the pilot projects have shown their worth for the eligible areas, and that a permanent program can prove itself for the Nation. I again urge the reporting of H.R. 5733 to the House for a vote on the merits of a permanent program.

Thank you.

The CHAIRMAN. I understand that Congressman Hechler of West Virginia will submit his remarks for the record, and without objection, that permission is granted.

(The prepared statement of Hon. Ken Hechler follows:)

STATEMENT OF HON. KEN HECHLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. Chairman, the last time I appeared before this committee was in 1959 when I urged an expansion in the quality and quantity of surplus commodities being made available to the needy. In West Virginia we have been very fortunate that the food stamp program has operated on a pilot basis in McDowell County since May 29, 1961, and in Wayne, Logan, and Mingo Counties since November 1, 1962.

I was present at the official launching of the food stamp programs in Wayne and Logan Counties, and have closely followed the progress of the program and its effect on the people and economy. In West Virginia, the food stamp program has had the following effects: (1) it has clearly helped the needy, and restored dignity to the individuals participating; (2) it has helped the small grocers and the community's normal channels of trade; (3) the wholesalers, the banking community and other participating businesses much prefer the food stamp plan to the prior system of distributing surplus commodities; (4) State and local officials find the program is easier to administer, and enables tighter controls to insure that only the needy are actually assisted.

West Virginia has been happy to test the food stamp program, and we haven't regretted it for a minute. The commodity program has been very helpful to provide food assistance to our low-income families. But this is not a very satisfactory diet on a day-in, day-out basis. The food is good and nourishing, but even the most talented and imaginative housewife has difficulty in figuring out how to dream up many new dishes with the combinations of commodities available.

Since such a large proportion of our families were eligible for and drawing surplus commodities, I began to receive a number of complaints from retailers and wholesalers who were losing business.

The operation of the food stamp program in several pilot counties has not only removed all of these complaints, but has brought forth praise from the participating families, retailers, wholesalers, the banking community, and State and local officials alike. The whole mechanism is geared better into our free enterprise system.

Since families have some of their own money tied up in coupons, they are more apt to shop carefully and to treat the coupons as money and not a hand-out. When they buy coupons and when they spend them in the grocery store, they can do so with dignity. And they can also buy their food requirements in amounts they can best use.

Among the schoolchildren in those counties which have participated in the pilot program, school principals have reported better attendance, better behavior and a greater degree of attentiveness on the part of pupils whose families have taken part in the food stamp program. Retail food stores sales have increased in these areas despite a drop in employment. Sales of meat increased almost 12 percent, sales of produce rose 12 percent, and sales of groceries increased almost 6 percent.

As new money moves directly into regular trade channels, retailers pay their bills to wholesalers more promptly and also they are stocking a wider variety of foods to meet a demand that didn't exist before.

With my remarks, Mr. Chairman, I would like to include a table which shows for each of West Virginia's participating counties the value of food coupons issued since the program opened, and the latest monthly figures that give an indication of what this program means to each of the counties. I urge support of H.R. 5733 in order that these demonstrated benefits be spread more widely.

Pilot food stamp program in West Virginia

Area	Cumulative food coupon issuance through May 15, 1963			
	Date project opened	Value of bonus coupons	Amount paid by participating families	Total
Logan.....	Nov. 1, 1962	\$343,058	\$481,396	\$824,454
McDowell.....	May 29, 1961	3,286,625	2,746,219	5,032,844
Mingo.....	Nov. 1, 1962	309,074	430,526	739,600
Wayne.....	do.....	203,128	282,702	485,830
Month of May (preliminary)				
	Participation			
Logan.....	8,084	\$52,537	\$76,754	\$129,291
McDowell.....	11,591	74,042	113,316	187,358
Mingo.....	7,600	50,021	72,054	122,075
Wayne.....	4,868	32,243	45,288	77,531

The CHAIRMAN. We have one other witness, Mr. Reuben Johnson.

Mr. REUBEN JOHNSON. With your permission, Mr. Chairman, because of the lack of time, I will be happy to submit my statement for the record.

The CHAIRMAN. Without objection, it may be made a part of the record at this point.

(The prepared statement of James G. Patton, president, National Farmers Union, presented by Mr. Reuben Johnson, follows:)

STATEMENT OF JAMES G. PATTON, PRESIDENT, NATIONAL FARMERS UNION

Mr. Chairman and members of the committee, when the pilot food stamp program was initiated by this administration in eight selected areas of the country in 1961 an important objective of the legislative program of the Farmers Union was achieved. The success of this initial program resulted in public demand for its extension on a pilot basis to other areas. At the present time 31 areas are being served. The public acceptance of this program has resulted in consideration of additional areas to be added later this fiscal year.

Career employees of the Department of Agriculture who are administering the food stamp program as well as other programs with the objective of increasing the utilization of agricultural commodities and upgrading the diets of the needy, are to be commended for the outstanding success of the pilot food stamp program. They have been successful in developing the techniques of making the program practical and workable from a standpoint of administration. In addition, a series of studies have been made under their direction which dramatically illustrate the benefits that have accrued under this program to farmers and to low-income families and individuals.

Secretary Freeman pointed out in his testimony before the committee that some 13 percent of the American people have serious nutritional defects in their diet because of low income, unemployment, old age, and physical disability.

The fact that current expenditures of needy families for food is augmented through the food stamp plan makes it possible for a family participating in the program to substantially upgrade their diet. For example, animal products such as meat, poultry, fresh milk and eggs, and fruits and vegetables accounted for more than 80 percent of the gains in food consumption in the areas recently surveyed. These are the foods most needed for proper nutrition and which are difficult to distribute in the conventional manner.

Taking a sample of retail food stores in the original eight pilot food programs, the Department of Agriculture has demonstrated that the dollar value of food sales increased by 8 percent under the food stamp program. The retail outlets included in this survey represented an estimated 50-85 percent of the total retail food sales in all of the original eight pilot areas except Detroit.

It was found in the Detroit area that meat consumption among the recipients of food stamps increased by 1 pound per person per week from $2\frac{3}{4}$ pounds to $3\frac{3}{4}$ pounds. One pound of meat is equal to approximately 6 pounds of feed grains. In the Detroit area, also, poultry consumption among recipients of food stamps increased by one-third pound per person per week. This is equivalent to approximately 1 pound of feed grains.

It is clearly demonstrated, therefore, that the food stamp plan is upgrading diets of the needy at the same time it has made possible increased utilization of feed grains.

While these increases in meat consumption were taking place, the survey shows that consumption of cereal products remained at approximately the same level as under the direct distribution program.

It is also clear, Mr. Chairman, that farmers have a stake in the rapid expansion of this program because of the strengthening of markets for a broad range of food items, a number of which are in surplus supply.

H.R. 5733, introduced by Mrs. Leonor Sullivan, would make possible the expansion of the food stamp program to other political subdivisions of the States who want to operate such a program. Farmers Union recommends that the food stamp program be expanded to all such areas and on a national basis as soon as possible.

The farmers of this Nation have supported, on many occasions, important legislation under consideration by this distinguished committee to expand the utilization of food, both in the United States and to needy people abroad.

Based on my discussion with farm people throughout this country, I can think of no legislative area in which there is a stronger interest than in programs that have increased the use of food in schools, in institutions, and to individual families both here in the United States and abroad. I, therefore, respectfully urge the committee to give H.R. 5733 its overwhelming approval and support with one change. It is recommended that the requirement under the current pilot food stamp program to prohibit the use of stamps in the purchase of imported foods where clearly labeled, be retained.

We appreciate the opportunity to appear before the committee and will be happy to respond to any questions that members of the committee may have.

The CHAIRMAN. Our next witness is Mr. B. H. Jones, associate secretary-treasurer of the National Livestock Feeders Association from Omaha, Nebr.

Mr. Jones, you see the situation we are in—the bells have rung and the members have to answer the rollcall. Would you be satisfied to file your statement?

Mr. JONES. Mr. Chairman, we appreciate very much the patience of the committee members. We would prefer to read our statement, but in view of the shortness of time, we will conform with your request and so file it.

I would just like to make one addition to the statement, if I may.

The CHAIRMAN. All right, sir, you may.

Mr. JONES. This addition would be that we have had many comments made to the committee in previous hearing sessions and these have overemphasized, in our opinion, the problems which would arise in connection with confining the distribution to domestic products, particularly with respect to mixed products containing ingredients of both domestic and foreign origin. And this can be accomplished, it seems to me, by putting the responsibility on the manufacturer or the processor.

In the case of products in question, if the manufacturer or the processor wishes to have his product come under the food stamp umbrella, he can simply clearly label same as being manufactured or processed from commodities grown in the United States.

Thank you.

The CHAIRMAN. We thank you very much.

We will be glad to have you file your statement in the record at this point. I assure you that the members will consider it in executive session.

Mr. JONES. Thank you.

(The prepared statement of B. H. Jones follows:)

STATEMENT OF B. H. JONES, ASSOCIATE SECRETARY-TREASURER,
NATIONAL LIVESTOCK FEEDERS ASSOCIATION

As a representative of the National Livestock Feeders Association, I am not here to testify in support of, or in opposition to, House bill 5733, known as the Food Stamp Act of 1963.

Rather, the association wishes to emphasize to the committee the importance of confining the distribution of food under the provisions of the bill specifically to products from domestic farm production.

Surely there can be no justification for spending U.S. tax dollars on food items of foreign origin. In fact we submit that to do so is contrary to the stated purposes and policy of the proposed legislation, whereas confining distribution to domestic production is in harmony with these expressed purposes and policy.

In the preamble of H.R. 5733, it is stated:

"* * * to help to achieve a fuller and more effective use of food abundances; * * *."

Also, in section 2 under the "Declaration of Policy" the bill reads:

Page 1, line 7 and page 2, lines 1 and 2, "* * * that the Nation's abundance of food should be utilized to the maximum extent practicable * * *."

Page 2, lines 6 to 8, "* * * will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy * * *."

Page 2, lines 11 to 13, "* * * will permit those households in economic need to receive a greater share of the Nation's food abundance * * *."

Please note the references made to the distribution of the "Nation's food abundance" and to the effort to "strengthen the agricultural economy."

The attention of the members of the committee is called, also, to the established policy followed in distributing food under the food stamp pilot projects with respect to the exclusion of imports.

The intent of H.R. 5733, surely, is to distribute domestically produced food and food products. Therefore the National Livestock Feeders Association re-

spectfully urges the committee to insert the following wording in the definition of the term "food" given on page 2, section 3(b). lines 18, 19, 20 (italic denotes words added):

"The term 'food' means any food or food products *prepared, processed or manufactured from domestic farm production in the United States* for human consumption other than alcoholic beverages and tobacco."

Mr. McCULLOUGH. There is just one other item. I would like to have also put into the record the names on the petition signed by the members of our association who asked me to bring it to the committee.

The CHAIRMAN. Give it to the reporter and we will see that it is filed.

(The petition referred to will be found in the files of the committee.)

The CHAIRMAN. Mr. Hagan of Georgia.

Mr. HAGAN of Georgia. Mr. Chairman, I would like to have permission to insert into the record at this point a letter from Cinderella Foods of Dawson, Ga., signed by C. M. Cruikshank, executive vice president of that organization.

The CHAIRMAN. Without objection, that permission is granted, and it will become a part of the record at this point.

(The letter referred to and other statements and letters submitted to the committee follow:)

CINDERELLA FOODS,
Dawson, Ga., April 18, 1963.

CONGRESSMAN G. ELLIOTT HAGAN,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HAGAN: You were very kind to take your time to see me when I was in your office 2 weeks ago.

Here is a summary of the information which I had:

1. Authorization is to be requested for the present pilot food stamp program so that within 5 years it has completely replaced the direct distribution program, which is now supplying the principal or total food requirements for 6.5 million people in needy family units. This direct distribution program utilizes surplus foods resulting from price support programs. During the fiscal year ending last June 30, 2 billion pounds were thus disposed of.
2. Under the food stamp plan, many of these surplus foods would not be utilized and would continue to pile up in ever-increasing surplus. This would, of course, affect the growers and processors of the 2 billion pounds of food now being usefully utilized.
3. The cost of the direct distribution method of feeding these 6.5 million people from surplus commodities for the last fiscal year was \$226.9 million.
4. It is estimated that the cost of feeding the same number of people via the food stamp program would be 5 times as great or over \$1,100 million annually.

If the committee hearings develop these facts, I find it hard to believe that the Congress will authorize or appropriate the money for it. A scheme which appears so harmful for agriculture and at such a terrific cost should certainly be examined carefully.

Yours very truly,

C. M. CRUIKSHANK,
Executive Vice President.

STATEMENT OF THE CHAMBER OF COMMERCE OF THE UNITED STATES

The Chamber of Commerce of the United States appreciates the opportunity to express the views of its members on H.R. 5733, the proposed Food Stamp Act of 1963.

This bill is not primarily or fundamentally agricultural legislation. Its declared policy makes it clear that it is a utilization measure to promote nutrition, health, and welfare of the Nation's population. As a welfare measure, its merits should be examined by the appropriate committees of the Congress responsible for the consideration of welfare measures.

In order for this bill to be essentially agricultural legislation to use surpluses more effectively, the consumption of food which it seeks to promote should be tied to the commodities in surplus to be disposed of. The bill does not do this. Under it virtually any food can be bought with the stamps, including so-called luxury foods and imported foods.

Some of the national chamber's members engaged in food distribution prefer the food stamp method of providing relief to the direct distribution methods. This is because it uses their facilities in the regular marketing channels, and because it permits competitive forces to work in the matching of the preferences of recipients to the character of goods and services competitively offered. But this bill goes beyond "relief" distribution and focuses on nutrition and consumption in relation to income standards.

It is welfare legislation. The nature and extent of relief needed among unemployed or low-income people varies between States and communities. States and communities have traditionally administered their own public assistance programs, with or without Federal assistance. Local and State governments should carry the responsibility for those areas of social welfare where discretion is required in determining the eligibility for, and the amount of, benefits. This certainly should include assistance of the type proposed in food stamp plans.

Yet this bill contains almost unlimited discretionary authority to the Secretary of Agriculture over the administration of the plan, including the approval of eligibility of both recipients and distributing participants. About the only provision of this bill apparently not subject to the Secretary's discretion is the requirement of section 10(d) that a State agency shall not discriminate against any household by reason of race, religious creed, national origin, or political beliefs.

The bill would subsidize food consumption beyond relief eligibility. It does not terminate the direct disposal or surplus commodities. It will therefore add further to Federal costs, put additional administrative burdens on the Federal Government and taxpayer, further centralize the affairs of the States and their people, and expand the powers of Federal agencies.

This bill again illustrates the inconsistencies and contradictions in Federal food and agricultural policy. On one hand the tenor of price-support policy is that food is too cheap to afford farmers adequate earnings, but on the other hand this bill, and similar measures say in effect that food is too expensive for some people to buy.

The food stamp plan is based on the mistaken assumption that it is essentially lack of income that is the basic cause of inadequate nutrition. The bill says it is intended to provide eligible households with an "opportunity more nearly to obtain a nutritionally adequate diet." They already have that opportunity. Studies show that satisfaction of nutritional requirements can be provided by an expenditure of half or less of the cost of the average diet consumed by the people of the Nation. Under this bill there is nothing to encourage better nutrition. It only provides more money, in effect cheaper food, through which it is hoped that the program will tend to encourage better nutrition.

Practically every person in the Nation falls short in some degree of consuming an adequate and properly balanced diet. Among these are a good many, almost regardless of their income, whose poor food and diet habits lead to inadequate nutrition that impairs their health and well-being. It includes also many whose health is impaired because their diets are such that they do not eat the foods that their own individual body metabolism can assimilate and utilize. Because of extensive private and public assistance now in effect, the number whose health is impaired in any important way through inadequate nutrition because of low income is relatively low.

On the other hand, a published nutritional study has shown that at least one-fourth of all adults are overweight principally from over eating, some of whom are found in the lowest income levels.

The importance of these facts is shown indirectly in another way by the study made by U.S. Department of Agriculture of the pilot food stamp program. When the food stamp program was instituted in the pilot areas and the direct distribution program was terminated only about half of the persons who had been receiving commodities by direct distribution elected to take advantage of the stamp plan distribution. Apparently many of them found they could not effectively use the added food purchasing power provided by the stamps.

H.R. 5733 is obviously motivated by well-meaning and benevolent intentions. In the enthusiasm to help the least advantaged, however, the gains in nutrition projected under the bill have been very greatly overrated. Even the declaration of policy in the bill reflects reservations: It says "The Congress hereby

finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will *tend* (our emphasis) to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy * * *.

It is our judgment that under this bill the increased consumption of food would be indeed slight, and relatively insignificant in terms of total food consumption in the Nation. So also would be the agricultural benefits.

Public misunderstanding and unfavorable judgment of farm programs are in part attributable to charging against farm programs with a large portion of the Department of Agriculture appropriations that are for services and benefits for the whole of the Nation's people, or for others than farmers.

To add the Food Stamp Act of 1963 to the total of Federal agricultural costs, certainly would make this situation that much the worse. H.R. 5733 is at best only incidentally an agricultural bill. It is primarily a welfare measure.

Plans for the feeding of needy or underprivileged groups are welfare projects and not a function of agriculture.

The national chamber therefore recommends that the House Agriculture Committee divest itself of responsibility for this kind of legislation and make no report on this bill.

STATEMENT BY WALTER E. WEBB, CHAIRMAN, HELENA-WEST HELENA CHAMBER OF COMMERCE

Mr. Chairman, members of the committee, we appreciate the opportunity to submit this statement in favor of H.R. 5733, a bill which would institute the pilot food stamp program on a permanent basis. We here in eastern Arkansas, being principally agricultural until present time when our economy is approximately 50 percent industrial and 50 percent agricultural, have been burdened with excess farm labor due to the mechanization of farming in recent years. This unemployed labor, plus the regular needy, have been receiving free commodities under the direct family distribution program for many years. The number of recipients has become a staggering figure in the more recent years in proportion to our total population just here in Phillips County of 43,997 people. For example the first 4 months of 1963 the following number of persons were issued commodities:

January-----	19,800	March-----	20,448
February-----	20,850	April-----	20,800

Hence in these particular months almost 50 percent of the county's population received free commodities.

We are in favor of the food stamp program because—

1. It would place the distribution of these needed supplement foods into the normal and natural channels of distribution—the American system of the wholesale and retail.

At present the normal channels of distribution are suffering greatly from this abnormal direct method, which is Government competition to private enterprise.

We feel that one segment of our economy should not be penalized in the necessary help to ours, when the same can be accomplished better with the established channels of trade.

The food stamp plan would correct the direct system and restore food distribution to its natural place.

2. We think another fine point in favor of the food stamp program is that recipients would have to put up the amount of money that they normally spend for food. This elevates the entire program from a dole system to the level of a person paying what he can in an American way. This will add dignity to his person and combat the thinking of something for nothing. He will appreciate his food a lot more, because he has contributed.

3. The 10 odd surplus types of food that are now being given away under the present system are basic, but not adequate for a balanced diet. We think under the food stamp program, the recipients could purchase fresh fruits, vegetables, and a variety of meats, which is impossible now. If these people are needy for food, they are more needy of a balanced diet.

We have read the Secretary of Agriculture's statement to your committee in support of H.R. 5733 and agree with him except in one part.

We feel the Department of Agriculture have done a fine job experimenting with the pilot food program and knows a lot of the facts about its workings than we do, but we think that the slowness with which he proposes to develop the national program (if voted into a permanent status) would only let continue the discrepancies and inequalities that now exist for further hurt of the economy.

The small retail food merchant in this area cannot long continue to endure the abnormal distribution of food to his customers.

Hence, we urge the passage of H.R. 5733 with sufficient appropriation to enable the Department of Agriculture to expedite the food stamp plan in place of the direct family distribution system. A recent poll of 346 food retailers recently so voted and urged this course.

STATEMENT ON BEHALF OF THE NATIONAL DRY BEAN COUNCIL, INC.

Mr. Chairman, this statement is being submitted in behalf of the National Dry Bean Council, Inc., a nationwide association made up of producers, handlers, and shippers of approximately 90 percent of the dry edible beans produced in the United States. The council is made up of 5 regional associations composed of members in 10 States.

The purpose of this statement is to lend support to legislation which has been introduced to provide for a food stamp plan on a more expanded basis than the pilot plant operations currently being utilized. We feel that such a program should and must supplant the present direct donation program.

We certainly are not in any way suggesting that the destitute and needy should not be fed and clothed, but we do contend that the direct donation system has not done the job efficiently and has had side effects which have been most disadvantageous to the economy as a whole.

The Department of Agriculture estimates that dry bean production in the United States amounted to 18,827,000 hundredweight in crop year 1962. Although the periods are not concurrent, in fiscal 1962, the Department of Agriculture distributed through the domestic welfare programs 1,480,000 hundredweight. This means that over 6 percent of our total bean production was given away. Put another way, we have lost 1 out of every 16 of our present customers. But this is not the worst. The only types of beans distributed under this program were pea beans, pinto beans, and some red kidney beans the total production of which in 1962 amounted to 12,500,000 hundredweight. If this figure is used, these beans lost over 12 percent of their market as a result of the giveaway or one customer out of every eight.

Not only this, but the domestic donation program has displaced historic bean markets. On numerous occasions, officials of the National Dry Bean Council and officials of affiliated associations and individuals have met with officials of the Department of Agriculture pointing out that pea, pinto, and red kidney beans, because they are in surplus, are being shipped into distress areas where other varieties of beans have had historic markets. It has been pointed out that this in turn results in the surplus beans usurping a normal market thus resulting in surpluses of other types of beans which would not be in surplus if it weren't for the domestic donation program. One of the major reasons for this is the fact that beans are an exceedingly inexpensive and most wholesome product and an essential source of high protein for persons on low or small incomes.

It is significant to note that the Quaker Oats Co. pointed out in their annual report in 1962 that domestic disposal of agricultural commodities was one of the major reasons the company earnings for the year dropped 10 cents a share from the previous year's record. The report stated that the Agriculture Department's direct distribution program "has deprived the grocery trade in general and the hot cereal industry in particular of a large volume of normal sales." Officials said that despite Government statements that such programs don't displace normal markets, "we have clear indications that the program is responsible in significant degree for the reduction in normal hot cereal sales." The report stated that in the spring of 1961, the hot cereal business, through grocery stores, was expanding at the annual rate of 4 percent. Then rolled oats and rolled wheat hot cereals were added to the donation list and by the close of the fiscal year such sales were declining at a 4-percent rate.

What has occurred, insofar as the Quaker Oats Co. is concerned, has happened to the bean industry because both products are quite inexpensive. Low-income families generally can afford beans or rolled wheat or oats and when these items are supplied to them free the retail trade and the industry has lost a customer. It is true that the producer of beans can permit his beans to go into CCC inventories and these are the beans which are used in the domestic donation program, but if there is a greater demand at the retail level, rather than donation, he will get a price higher than the support price and the beans will not go into storage elevators to be given to needy persons thus depriving the producer of a normal market. The problem is even further compounded if the recipient becomes adapted to the new type of bean. Then one class of bean producers has lost a customer for good.

These problems can be solved through the utilization of a food stamp plan. It will provide food needed to those in distress. It will utilize the normal channels of trade and commerce. It will permit the recipient to purchase those types and classes of foods they have historically eaten. It will arrest the displacement of markets. It will give a greater control in the hands of the Government to curtail abuses. For all of these reasons it is felt the food stamp plan is the best method of providing for our needy people and it has the endorsement of the National Dry Bean Council.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., June 12, 1963.

Hon. HAROLD D. COOLEY,
*Chairman, House Committee on Agriculture,
New House Office Building, Washington, D.C.*

DEAR CONGRESSMAN COOLEY: The Farm Bureau is quite interested in the proposed legislation concerning the food stamp plan. H.R. 5733, as we understand it, would establish the food stamp program on a permanent nationwide basis.

At the annual meeting of the American Farm Bureau Federation held in December 1962 the elected voting delegates of the member State farm bureaus adopted the following policy concerning Federal Government food distribution programs:

"Under the current Federal-State food distribution system, the Federal Government makes surplus foods available to the States. We believe it is sound procedure to distribute these foods through States and local governing bodies. However, we are opposed to any expansion of this Federal food distribution program.

"The Government food stamp plan, started in 1961 on a pilot basis, has been expanded to include a number of additional areas. It has not increased food consumption significantly. Instead it has transferred a part of the total cost of food relief distribution to the Federal Government. We oppose any expansion of the food stamp plan and urge Congress to appraise the results achieved in areas where it has been in operation.

"The national school lunch and special milk programs have proved beneficial to our schoolchildren. The programs have helped to establish proper dietary habits among our young people. We recommend that they be continued and that only domestic foods be used for this purpose.

"It is important that the general public understand that the chief beneficiaries of Government food distribution programs are schoolchildren and needy people."

You will note that the first two paragraphs of this policy statement specifically outline the attitude of the farm bureau concerning any expansion of the food stamp plan.

In our study of the current pilot food stamp program we do not believe that it has led to any significant increase in food consumption. Neither has the program made any significant contribution to increasing the consumption of our surplus foods.

The farm bureau recognizes that the Federal Government has a responsibility to distribute certain surplus foods to needy people. However we believe

the present Federal-State food distribution system is a much more sound procedure than the food stamp plan. As a result we oppose the enactment of H.R. 5733.

We would appreciate your making this statement a part of the hearing record.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

AMERICAN FEDERATION OF LABOR &
CONGRESS OF INDUSTRIAL ORGANIZATION,
Washington, D.C., June 14, 1963.

Hon. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: In connection with recent hearings by your committee on H.R. 5733, the Food Stamp Act of 1963, I wish to express the support of the American Federation of Labor & Congress of Industrial Organizations for this bill.

The AFL-CIO sees America's tremendous food abundance as a blessing and a challenge. To allow hunger to afflict any man, woman, or child in this country is intolerable. We must intensify our efforts to eliminate hunger, malnutrition, and poverty from the United States, and enactment of a nationwide food stamp program will be a solid step forward toward this goal.

Therefore we endorse the policy set forth in H.R. 5733 that "the Nation's abundance of food should be utilized to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households."

However we believe the policy statement in section 2 of the bill should include an explicit statement that it is the intention of Congress that the food stamp program should be administered in a manner to protect and to enhance the self-reliance and the human dignity of food stamp recipients. These recipients now include individuals, families, and households with limited income, receiving some kind of welfare assistance, unemployment compensation, and social security, veterans', or other limited pensions.

Fortunately, we have had more than 2 years of experience with pilot food stamp programs which now are in operation in 39 counties and 3 major cities. On the whole, these programs have worked well. They have demonstrated the practicability and feasibility of a broad, nationwide food stamp program. They have also demonstrated the need for improvements and greater flexibility in administration.

Such improvements should include (1) distribution of food stamps more frequently, perhaps weekly, to facilitate family budgeting, which is usually on a weekly basis; (2) distribution of food stamps through centers more easily available to eligible food stamp recipients; (3) increased incentive to eligible recipients to buy food stamps perhaps by giving them at least \$2 worth of food stamps for every \$1 spent from their food budget, instead of the present average exchange of \$1 worth of food stamps for every 63 cents spent from the recipients' food budget; and (4) raising the income limitations for eligible recipients.

Section 4(b) of H.R. 5733 authorizes the Secretary of Agriculture to "issue such regulations * * * as he deems necessary or appropriate for the effective and efficient administration of the food stamp program." We believe this section fully authorizes any action by the Secretary to increase administrative flexibility and to put into effect the improvements mentioned above and any other improvements in administration which may subsequently become apparent.

We are happy to note that H.R. 5733 states explicitly that food stamps shall not be considered income under any Federal or State laws. Section 7(e) states:

"The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs."

We endorse inclusion of this subsection, and we also endorse inclusion of subsection 10(e) which states:

"Participating States or participating political subdivision thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provisions of this Act or the regulations issued pursuant to this Act."

In conclusion, Mr. Chairman, I wish to repeat the support of the AFL-CIO for enactment of a food stamp plan along the lines outlined in H.R. 5733. A properly administered food stamp program to distribute our food abundance to needy American citizens can make a vital contribution to our national welfare.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

CALIFORNIA FARM RESEARCH & LEGISLATIVE COMMITTEE,
Santa Clara, Calif., June 13, 1963.

HON. HAROLD COOLEY,
*Chairman, House Agriculture Committee,
House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN AND MEMBERS OF THE COMMITTEE ON AGRICULTURE: The California Farm Research & Legislative Committee at its 22d annual meeting in Fresno, May 25, voted unanimously to support bills which would extend the food stamp plan, H.R. 5733, introduced by Hon. Lenore Sullivan, and S. 1387, introduced by Senator Allen Ellender.

The present program, established on a pilot basis for the past 2 years, has proven very successful in achieving "a fuller and more effective use of food abundances" and "providing for improved levels of nutrition among economically needy households."

The present program established by Executive order, uses funds provided by section 32 of Public Law 320. We cannot have a nationwide program, however, without authorization by Congress together with regular appropriation of funds. The pilot food stamp plan has been a drain on section 32 receipts which are needed for the school lunch and other surplus foods diversion programs.

(The food stamp plan is not really a surplus food distribution program since it operates through normal channels of trade, and retailers who accept stamps redeem them through wholesale food concerns or banks.)

The administration budget request for operating the food stamp plan for the next fiscal year is only \$51,500,000—compared to a cost of \$50 million for operating the pilot program. This will not permit much expansion, but as the program grows, more money will be needed and Congress will have to decide on greater appropriations.

In view of growing unemployment and lack of purchasing power on the one hand, and the great abundance of food and fiber our farmers are able to produce, on the other, extension of the food stamp plan would provide a stopgap until the economic situation is such that every wage earner in the Nation will have an income great enough to provide his family with adequate, nutritious food.

Sincerely,

Mrs. GRACE McDONALD, *Executive Secretary.*

LUCAS COUNTY WELFARE DEPARTMENT,
Toledo, Ohio, May 27, 1963.

HON. THOMAS LUDLOW ASHLEY,
House of Representatives, Washington, D.C.

DEAR MR. ASHLEY: In response to your recent inquiry regarding the effectiveness of the food stamp program in Lucas County, I can advise the following:

From December 3, 1962, through April 31, 1963, total food stamp participation amounted to \$1,203,966. Of this amount, \$817,833 worth of food stamp coupons were purchased for cash and the amount of the Federal bonus granted was \$386,133. In other words, this community realized \$386,133

worth of food-buying power which it would otherwise not have had. I am sure that the 300 participating grocers also appreciate this fact.

It is the opinion of those who have been associated with welfare in this community for some time that the food stamp program meets many more practical necessities than does the commodity distribution system. The food stamp program allows for greater variety in the purchase of food items, it allows for the preference of individuals and provides for specific needs on an individual basis. It has become an integral part of the welfare program in Lucas County and we would be hard put to do without it. It seems to be so much more in keeping with the dignity of people than did the food commodity program. I don't mean to belittle the latter, but rather to emphasize the former.

I would be willing to do whatever possible to assist in the securing of the appropriation of sufficient funds to expand the present pilot food stamp program into the type of program it should be and would suggest you do whatever possible to encourage same. Please advise if any further information is desired or if I can do anything to help. Best personal regards.

Yours very truly,

WILLIAM J. ENSIGN, *Director.*

P.S. I might add, the food stamp plan is much easier to administer—no trucks, no warehouses, etc.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., June 20, 1963.

Representative HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.

DEAR CHAIRMAN COOLEY: The National Association of Counties conducted an informal survey of various key county leaders across the country with respect to the proposed food stamp program set forth in H.R. 5733. The results indicate a general agreement that in comparing the direct distribution of surplus food program with the food stamp program, the latter is preferable.

Several letters received as a result of our survey are enclosed and we request they be made a part of the committee's record. These letters substantiate such claimed advantages of a food stamp program as—

- (a) Eliminating expensive storage facilities;
- (b) Improves diet of recipients;
- (c) Aids local economy; and
- (d) Preferable administrative procedure.

We do not view this proposed program as one that will alleviate county government of any financial obligations. Rather it merely offers the option of substituting a superior new program for an existing one.

Sincerely yours,

C. D. WARD, *General Counsel.*

PINE COUNTY WELFARE DEPARTMENT,
Pine City, Minn., May 21, 1963.

Re food stamp program.

Mr. C. D. WARD,
General Counsel, National Association of Counties,
Washington, D.C.

DEAR MR. WARD: Replying to your letter of May 9, as you are aware, our request is on record to extend the food stamp program to our county as the bordering county to the north is now included in this program.

You ask why we would like to have the food stamp program initiated in our county. First, I might state that I was the county welfare director in 1937 when the food stamp plan was started in Minnesota and was instrumental in having it started in the first six counties in the State. I have seen it work very well and, basing my reasons partially on this, I would like to see it inaugurated again, if it is necessary to do so to diminish our supply of surplus foods in this country.

Secondly, the food stamp plan is helpful to the local merchants. They are able to benefit through the handling of the surplus foods in the stores whereby they receive no benefit when it is distributed in bulk.

Thirdly, the bulk distribution is difficult to handle. It must have a secure place for storage, have storage for perishable items and it is cumbersome administratively. Most of the counties who distribute surplus commodities in the State of Minnesota feel as we do, if this distribution is to be continued that they would prefer handling it under the food stamp program.

You may use this letter if you wish as a part of your statement when you appear at the hearing.

Yours very truly,

L. N. HAEDT, *Director.*

NASH COUNTY DEPARTMENT OF PUBLIC WELFARE,
Nashville, N.C., June 7, 1963.

Mr. C. D. WARD,
General Counsel, National Association of County Officials,
Washington, D.C.

DEAR MR. WARD: Mr. Henry Milgrom, president of the North Carolina State Association of County Commissioners, has requested that I write you in regard to our experience with the food stamp program.

Several years ago we had the direct food program and I personally did not think it was the best method to handle the problem. When the food stamp program became available our county immediately made request to be designated as a pilot area.

For your information we have a rural county with a population a little in excess of 60,000. Agriculture is one of our largest sources of income and during the winter months we have many of our people unemployed.

During the first month of the food stamp program the total value of food coupons was \$18,920, and we served 1,258. As expected, our peak months were February and March when we served 7,977 and 8,269 respectively. During the 7 months of operation we served 31,751 persons and the total value of food coupons handled was \$394,668. I think the food stamp program has been very helpful to many of our people and has met a real need. As anticipated, we ran into many problems but we think our experience has taught us much which will be advantageous in future operation.

We have made arrangements with nine banks located in different areas of the county to sell the food stamps in accordance with authorizations issued by our agency and we pay the banks a small fee for this service.

The administrative expense for operating the food stamp program, including public welfare workers assigned in certifying cases, clerical help, clerk for keeping the records and issuing authorizations, fees paid to banks, and other office expense will amount to \$20,000 per year. This cost is being shared by Federal and State government. In conversation with some of the directors of public welfare in counties the approximate size of Nash County it is my understanding that this cost is not out of line with that which they incur in operating the direct food program. To me the food stamp program is more desirable and I find that it does improve the diets of the families participating.

Yours very truly,

J. A. GLOVER, *Director.*

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,
Nashville, Tenn., June 6, 1963.

Mr. C. D. WARD,
National Association of Counties,
Washington, D.C.

DEAR C. D.: In 1959 I instructed the Davidson County Welfare Commission to make an extensive study into the surplus food distribution. At that time representatives of the welfare commission studied the program at Knoxville, Tenn., Birmingham, Ala., and Louisville, Ky. Following this study, extensive searching was made in an attempt to find adequate warehousing to set up distribution of surplus foods. Nashville has such a scarcity of warehousing that we were unable to find adequate warehousing to begin the program. In addition to trying to find a warehouse, we gave serious consideration to constructing a warehouse, but this, too, was so costly we abandoned the idea.

In Metropolitan Nashville and Davidson County, the amount of financial assistance that can be given families is extremely inadequate. We have to keep our maximum assistance in conformity with what the department of public welfare can give and are aware of the fact that families cannot exist on the meager amount of assistance that we can give. As an example:

A family consisting of five children or more, the maximum is \$110 per month. I think that if we could have the food stamp plan it would enable us to supplement this inadequate assistance.

I heartily endorse H.R. 5733 and hope that our county can participate in this program.

Sincerely,

BEVERLY BRILEY, *Mayor.*

PENNSYLVANIA FOOD MERCHANTS ASSOCIATION,
Erie, Pa., June 5, 1963.

HOUSE AGRICULTURAL COMMITTEE,
House Office Building, Washington, D.C.

GENTLEMEN: The Pennsylvania Food Merchants Association wishes to have this statement incorporated in the record for the hearings to be conducted on H.R. 5733, a bill to authorize nationwide food stamp program.

"The Pennsylvania Food Merchants Association, an organization composed of over 4,000 members who operate retail food stores ranging in size from small corner groceries up to multiple-unit operations with volumes in excess of \$20 million urges the members of the House Agricultural Committee to vote favorably on releasing H.R. 5733 before the House of Representatives.

"Our experience with the Federal food stamp program has extended back to the original pilot program which began in the spring of 1961.

"Without exception, the program has met with hearty approval of recipients, businessmen, and government officials in those counties where the plan has been instituted.

"At present, Pennsylvania has four areas currently covered by this program. They are: Fayette County—one of the original pilot counties, Cambria County, Luzerne County, and the city of Pittsburgh. Because of this first-hand experience, we heartily recommend to you that the plan be expanded as provided in H.R. 5733.

"The Federal food stamp program restores dignity to the indigent by enabling them to select domestic foods of their own choosing in regular retail outlets, thus relieving them of the embarrassment of standing in lines waiting for surplus commodities.

"The Federal food stamp program also relieves local governments of the tremendous expense of distributing surplus commodities, and thus enables local governing bodies to concentrate their efforts in working with welfare agencies to more properly police and eliminate welfare abuses.

"As currently experienced in those counties now enjoying this program, a tremendous boost to the local economy is provided through the introduction of the Federal food stamp program. Bankers, food merchants, wholesalers, everyone connected in one way or another with food distribution shares in the benefits. And in the State of Pennsylvania, particularly hard hit economically, this program has been looked upon as a God-send.

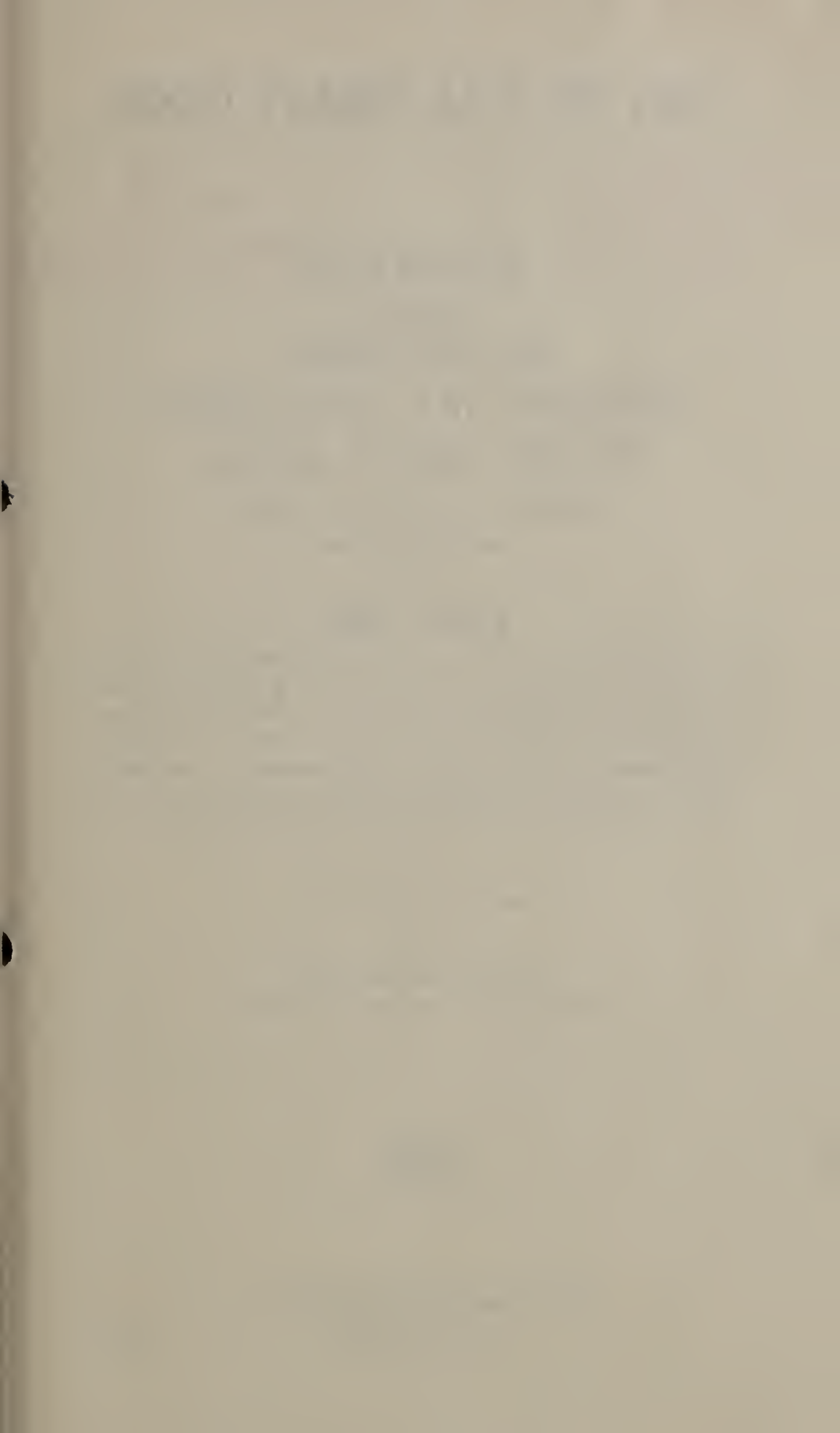
"The Federal food stamp program is one of the finest programs in recent years. The Pennsylvania Food Merchants Association, its officers and directors, and its entire membership, urges enactment of House bill 5733 and the extension of the Federal food stamp program throughout the Nation."

Sincerely,

ALBERT P. VICKS, *Executive Director.*

The CHAIRMAN. With that the committee stands adjourned, subject to call.

(Whereupon, at 11:15 a.m., the committee adjourned subject to the call of the Chair.)



FOOD STAMP ACT OF 1964

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HEARINGS

BEFORE THE

COMMITTEE ON

AGRICULTURE AND FORESTRY

UNITED STATES SENATE

EIGHTY-EIGHTH CONGRESS

SECOND SESSION

ON

H.R. 10222

AN ACT TO STRENGTHEN THE AGRICULTURAL ECONOMY; TO
HELP TO ACHIEVE A FULLER AND MORE EFFECTIVE USE OF
FOOD ABUNDANCES; TO PROVIDE FOR IMPROVED LEVELS OF
NUTRITION AMONG ECONOMICALLY NEEDY HOUSEHOLDS
THROUGH A COOPERATIVE FEDERAL-STATE PROGRAM OF
FOOD ASSISTANCE TO BE OPERATED THROUGH NORMAL
CHANNELS OF TRADE; AND FOR OTHER PURPOSES

JUNE 18 AND 19, 1964

Printed for the use of the
Committee on Agriculture and Forestry



U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1964

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FOOD STAMP ACT OF 1964

THURSDAY, JUNE 18, 19964

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The committee met, pursuant to notice, at 9:05 a.m., in room 324, Old Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senators Ellender, Johnston, Talmadge, Jordan of North Carolina, Neuberger, McGovern, Walters, Aiken, Young of North Dakota, Hickenlooper, Boggs, and Mecham.

The CHAIRMAN. The committee will please come to order.

The committee has before it for consideration this morning H.R. 10222, a bill to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

H.R. 10222 will be made a part of the record at this point, together with the request from the Department.

(H.R. 10222 and the departmental request dated April 17, 1963 follow:)

[H.R. 10222, 88th Cong., 2d sess.]

AN ACT To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Food Stamp Act of 1964".

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, and local governmental units to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households in economic need to receive a greater share of the Nation's food abundance, is herein authorized.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "food" means any food or food product for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary, and those foods which are identified on the package as being imported from foreign sources when they arrive at the retail store.

(c) The term "coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this Act.

(d) The term "coupon allotment" means the total value of coupons to be issued to a household during each month or other time period.

(e) The term "household" shall mean a group of related or nonrelated individuals, who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term "household" shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

(f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

(g) The term "wholesale food concern" means an establishment which sells food to retail food stores for resale to households.

(h) The term "State agency" means the agency of the State government which has responsibility for the administration of the federally aided public assistance programs.

(i) The term "bank" means member or nonmember banks of the Federal Reserve System.

(j) The term "State" means the fifty States and the District of Columbia.

(k) The term "food stamp program" means any program promulgated pursuant to the provisions of this Act.

ESTABLISHMENT OF THE FOOD STAMP PROGRAM

SEC. 4. (a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of an appropriate State agency, eligible households within the State shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than their normal expenditures for food. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

(b) The Secretary shall issue such regulations, not inconsistent with this Act, as he deems necessary or appropriate for the effective and efficient administration of the food stamp program.

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

ISSUANCE AND USE OF COUPONS

SEC. 6. (a) Coupons shall be printed in such denominations as may be determined to be necessary, and shall be issued only to households which have been duly certified as eligible to participate in the food stamp program.

(b) Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program at prices prevailing in such stores: *Provided*, That nothing in this Act shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores.

(c) Coupons issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose and define their denomination. The name of any public official shall not appear on such coupons.

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 7. (a) The face value of the coupon allotment which State agencies shall be authorized to issue to households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households with an opportunity more nearly to obtain a nutritionally adequate diet.

(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as is determined to be equivalent to their normal expenditures for food.

(c) The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs.

(d) Funds derived from the charges made for the coupon allotment shall be promptly deposited in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 8. (a) Regulations issued pursuant to this Act shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under the food stamp program and for the approval of those applicants whose participation will effectuate the purposes of the food stamp program. In determining the qualifications of applicants there shall be considered among such other factors as may be appropriate, the following: (1) the nature and extent of the retail or wholesale food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant retail food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval.

(b) Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. Regulations issued pursuant to this Act shall provide for safeguards which restrict the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(c) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the food stamp program may obtain a hearing on such refusal as provided in section 13 of this Act.

REDEMPTION OF COUPONS

SEC. 9. Regulations issued pursuant to this Act shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department.

ADMINISTRATION

SEC. 10. (a) All practicable efforts shall be made in the administration of the food stamp program to insure that participants use their increased food pur-

chasing power to obtain those staple foods most needed in their diets, and particularly to encourage the continued use of those in abundant or surplus supply so as not to reduce the total consumption of surplus commodities which have been made available through direct distribution. In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted.

(b) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons: *Provided*, That the State agency may, subject to State law, delegate its responsibility in connection with the issuance of coupons to another agency of the State government. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations.

(c) In the certification of applicant households for the food stamp program there shall be no discrimination against any household by reason of race, religious creed, national origin, or political beliefs.

(d) Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provision of this Act or the regulations issued pursuant to this Act.

(e) The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may by regulation be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; and (4) for the submission of such reports and other information as may from time to time be required.

(f) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, he shall inform such State agency of such failure and shall allow the State agency a reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary shall direct that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as satisfactory corrective action has been taken.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 11. Any approved retail food store or wholesale food concern may be disqualified from further participation in the food stamp program on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as may be determined in accordance with regulations issued pursuant to this Act. The action of disqualification shall be subject to review as provided in section 13 of this Act.

DETERMINATION AND DISPOSITION OF CLAIMS

SEC. 12. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 13. Whenever—

(a) an application of a retail food store or wholesale food concern to participate in the food stamp program is denied,

(b) a retail food store or a wholesale food concern is disqualified under the provisions of section 11 of this Act, or

(c) all or part of any claim of a retail food store or wholesale food concern is denied under the provisions of section 12 of this Act, notice of such administrative action shall be issued to the retail food store or wholesale food concern involved. Such notice shall be delivered by certified mail or personal service. If such store or concern is aggrieved by such action, it may, in accordance with regulations promulgated under this Act, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available, shall be reviewed by the person or persons designated, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect fifteen days after the date of the delivery or service of such final notice of determination. If the store or concern feels aggrieved by such final determination he may obtain judicial review thereof by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business, or in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as he may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless an application to the court on not less than ten days' notice, and after hearing thereon and a showing of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

VIOLATIONS AND ENFORCEMENT

SEC. 14. (a) Notwithstanding any other provisions of this Act, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(b) Whoever knowingly uses, transfers, acquires, or possesses coupons in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(d) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8.

COOPERATION WITH STATE AGENCIES

SEC. 15. (a) Each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act. Except as provided for in subsection (b) of this section, such costs shall include, but shall not be limited to, the certification of households; the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; and the issuance of such coupons to eligible households and the control and accounting therefor.

(b) The Secretary is authorized to cooperate with State agencies in the certification of households which are not receiving any type of public assistance so as to insure the effective certification of such households in accordance with the eligibility standards approved under the provisions of section 10 of this Act. Such cooperation shall include payments to State agencies for part of the cost they incur in the certification of such households. The amount of such payment to any one State agency shall be 50 per centum of the sum of: (1) the direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such postinterview field investigations as are necessary to certify the eligibility of such households, and of the immediate supervisor of such personnel, for such periods of time as they are employed in certifying the eligibility of such households; (2) travel and related costs incurred by such personnel in postinterview field investigations of such households; and (3) an amount not to exceed 25 per centum of the cost computed under (1) and (2) above.

APPROPRIATIONS

SEC. 16. (a) To carry out the provisions of this Act, there is hereby authorized to be appropriated not in excess of \$25,000,000 for the fiscal year ending June 30, 1964; not in excess of \$75,000,000 for the fiscal year ending June 30, 1965; not in excess of \$100,000,000 for the fiscal year ending June 30, 1966; and not in excess of \$200,000,000 for the fiscal year ending June 30, 1967. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act.

(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section.

(c) If the Secretary determines that any of the funds in the separate account created under section 7(d) of this Act are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.

(d) Amounts expended under the authority of this Act shall not be considered amounts expended for the purpose of carrying out the agricultural price-support program and appropriations for the purposes of this Act shall be considered, for the purpose of budget presentations, to relate to the functions of the Government concerned with welfare.

Passed the House of Representatives April 8, 1964.

Attest:

RALPH R. ROBERTS, *Clerk*.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 17, 1963.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft of a proposed bill which authorizes the operation of a food stamp program.

The submission of this proposed bill is a result of experience gained by this Department in the operation of a series of pilot food stamp programs. These

pilot operations were inaugurated in mid-1961 at the request of the President and were conducted under the authority of section 32 of Public Law 320, 74th Congress, as amended. Currently, the program is being further tested in a total of 31 separate areas under a wide variety of operating conditions. Additional areas have been designated for inclusion later this fiscal year. A series of studies designed to determine the impact of the program on family food purchases have been made or are underway. Furthermore, administrative and operating techniques are being tested and evaluated so as to provide the Department with the experience necessary to effectively operate the type of program provided in the proposed bill.

The Department recommends favorable action on this proposed bill.

The food stamp program is designed to strengthen the agricultural economy, help achieve a fuller and more effective use of food abundances, and to improve levels of nutrition among those households in economic need. These purposes are achieved by increasing the limited food buying ability of such households. The program will be operated through normal channels of trade.

Under such a program, needy households are provided with an opportunity to purchase—at a charge that is equivalent to the amounts of money they could normally be expected to spend for food—an allotment of coupons of higher monetary value. The Federal Government finances the cost of the coupons which are provided free of charge. The purchase of coupons by participating households is designed to insure that the additional coupons provided free of charge to such households actually results in increased food purchases through normal trade channels.

Coupons issued to participating households may be used by them only to purchase food out of regular commercial supplies at retail food stores. Coupons accepted by such stores are redeemed through wholesale food concerns or directly through banks. The proposed bill also provides for the undertaking of an educational program to encourage participating households to purchase foods available in abundant supply and those most needed in diets.

Studies conducted by this Department during the pilot program indicate that a food stamp program is practicable in terms of its administrative and operating aspects and is effective in expanding food markets and in improving the diets of participating households.

A survey conducted in a sample of retail foodstores in the eight original pilot programs showed that the dollar volume of food sales increased by 8 percent after the inauguration of the food stamp program. The stores included in this survey represented an estimated 50 to 85 percent of total retail foodstore sales in all of the original eight pilot areas except Detroit. There, the survey stores were drawn from low-income areas of the city. Meats, produce, and other grocery items shared in the increase in food sales and the smaller retail stores were able to attract a reasonable proportion of the coupon business.

A second survey undertaken in two of the original pilot areas showed that households participating in the pilot food stamp program made significant increases in food purchases and in the total value of food used after they started to participate in the pilot food stamp program. This information was collected through a detailed investigation of food consumption among a representative sample of households in April-May of 1961, before the inauguration of the pilot food stamp program, and in September-October of that year when the pilot program had been in operation for some time.

Animal products—such as meat, poultry, fish, milk, and eggs—and fruits and vegetables accounted for more than 80 percent of these gains in the value of food used. These are the foods most needed for dietary improvement and a shift of more of our agricultural resources into the production of such foods would help to strengthen the agricultural economy.

This survey also showed that a food stamp program is especially effective in providing assurance that the Federal contribution (in the form of the coupons provided free of charge to eligible households) actually resulted in an increase in food purchases by participating households. A special analysis of the data derived from this survey showed that approximately 85 to 95 percent of the Federal contribution to participating households was reflected in increased food purchases in retail stores. This level of effectiveness is considered to be about the maximum to be expected under any program designed to expand markets for food.

These two household food consumption surveys also showed that there was a substantial improvement in the quality of diets among households participating

in the program. From nearly two-fifths to almost one-half of these households had good diets in September-October under the food stamp program. Only slightly more than one-fourth of these households had good diets in April-May before the food stamp program was inaugurated.

It is clear that farmers have a definite stake in any program which expands markets and results in increased food sales, even though no one program can be relied upon to strengthen our agricultural economy. A food stamp program appears to be an effective way of increasing total food consumption by economically needy households and in concentrating these increases in animal products and fruits and vegetables. Increases in markets for these foods will help to relieve the general problem of overcapacity in agriculture. Particularly, increased markets for animal products would use more feed grains and, thus, a food stamp program could make an important contribution to the total effort to bring our feed grain supplies into balance with demand.

The proposed bill to authorize a food stamp program would provide for the gradual extension of such a program to those political subdivisions in which the various States wish to conduct such a program. The distribution of federally owned foods to needy households would be discontinued in those subdivisions participating in the food stamp program but such distribution would continue to be made to eligible schools and institutions in those areas.

It is not contemplated that the food stamp program would be restricted to designated areas of economic distress because it is designed to improve diets of needy households wherever they may reside. However, as indicated by our experience under the donation of federally owned foods to needy families, we anticipate that many political subdivisions would not feel the need to participate in the program. Therefore, we estimate that, with a continuation of current economic conditions, the program could be reaching approximately 4 million needy persons within a period of 5 years following the passage of this bill. By that time, it is also estimated that the cost of the food stamp program would be approximately \$360 million a year, exclusive of Federal administrative expenses. Such costs would be offset in substantial part by the discontinuance of Federal food donations to needy households in political subdivisions participating in the food stamp program and would tend to reduce the total nationwide cost of this direct distribution program. Also, in accordance with the requirements of Public Law 801, 84th Congress, there is enclosed a table showing estimates of man-years of civilian employment, expenditures for personal services, and expenditures for all other purposes.

Recommendations for the implementation of this program would be made within the framework of the annual budget and fiscal policies of the President.

There is also enclosed a detailed section-by-section analysis of the proposed bill which describes the type of program to be operated and the manner in which it will be conducted.

The Bureau of the Budget advises that the enactment of this proposed legislation would be in accord with the President's program.

A similar letter is being sent to the Speaker of the House.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

The CHAIRMAN. We have the pleasure of having with us this morning our very active and efficient Secretary of Agriculture, Mr. Freeman.

You may proceed.

STATEMENT OF HON. ORVILLE L. FREEMAN, SECRETARY OF AGRICULTURE

Secretary FREEMAN. Mr. Chairman and members of the committee, I appreciate the opportunity to appear in support of H.R. 10222, the House-approved bill which will place the pilot food stamp program on a permanent basis.

This program, together with other measures to share our food abundance, reflects our belief that every American should have the

opportunity to obtain an adequate diet and that our farmers should have access to the full potential of our domestic market for food.

It also reflects our continuing search to find better and more effective methods to translate this belief into a reality.

The food stamp approach is not a new idea. Such a program was operated between 1939 and 1943. Wartime conditions led to its suspension but the program continued to have popular appeal and considerable bipartisan support in the Congress. In this regard, Mr. Chairman, I wish to particularly acknowledge the role of the distinguished senior Senator from Vermont. He has never wavered in his support for such a program.

For a large proportion of our people, food is a bargain. The cost of food, in relation to family income, is lower than ever before in history—and lower than in any other country in the world. Most consumers take their varied, nutritious, and reasonably priced food supply for granted—too much for granted for a proper understanding of the fundamental contribution the American farmer makes to our national strength.

But as President Johnson has so dramatically reported to the Congress and to the Nation, about one-fifth of our people live in poverty—with incomes and earning capacities too small to meet minimum essential needs. Low income is a major cause of inadequate diets. Yet, low-income families spend as much as 40 percent of their income for food.

Certainly, a child should not be deprived of the food he needs because the skill of his father has meant that only the lowest paying employment is open to him. The unmet food needs of the family man out of work, the mother with dependent children, the aging, and the disabled also means untapped markets for farmers and food distributors.

Thus, inadequate diets affect all sectors of our economy—consumers, producers, and business interests.

The committee is aware that the Department of Agriculture now operates a number of other food programs to improve nutrition and expand farm markets. Among these are the school lunch and special milk programs for children, and the direct distribution of federally owned foods to charitable institutions and needy families.

We are proud of these programs and their accomplishments. We feel that they can make an even greater contribution to the attack on poverty in both urban and rural areas—and at the same time—serve the interests of farmers.

Before going into detail on the operation and results of our pilot food stamp program, I would like to briefly review the background of our direct distribution program for needy families.

This program utilizes foods which have been acquired under price support or under section 32 surplus removal purchases. We make these commodities available in carload lots, shipping them to designated points in each State. The storage and distribution of the food, and certification of recipients, are the responsibility of each State, although the Department approves eligibility standards and reviews program operations.

In January 1961—in response to the first Executive order issued by the late President Kennedy—we expanded the program for needy families. For the winter months of 1961, the Department was then

offering only five items to States—flour, cornmeal, rice, dry milk, and lard. We moved immediately to add butter, peanut butter, a canned meat item, dry beans, and dried eggs, making a total of 10 items.

Currently, a total of 15 items are available for needy families. In addition to the above commodities, we have added three cereal items—rolled wheat, corn grits, and bulgur. Cheese also is available and we have recently added a second meat item—canned beef in natural juices.

In February and March of this year, 6.1 million needy persons were receiving these donated foods. April participation totaled 5.9 million—reflecting the usual seasonal decline as employment opportunities increase in the spring of the year.

These Federal foods are also made available to school lunch programs and charitable institutions. This total donation and distribution mechanism also makes it possible, in cooperation with State agencies, to quickly move emergency food supplies into areas struck by natural disasters, such as the recent floods in Montana, Nebraska, in the Ohio River Valley, and the earthquake in Alaska.

This program for needy families is doing an enormous amount of good, but it has certain limitation.

First, there are a limited number of commodities which can be handled under the family donation program. Therefore, the program's effectiveness in providing a varied, well-balanced diet is restricted. This is particularly true in regard to perishable items—fluid milk, fresh meats and poultry products, and fruits and vegetables—regular parts of the daily diet all of us need and most Americans enjoy.

Second, the donation program makes it necessary to develop a separate distribution system operated by State and local governments. It is obviously wasteful to build a second large food distribution system if our highly efficient commercial system can be adopted to serve two purposes.

Third, as the family program has been expanded, it has become increasingly difficult for us and the States to administer. As the number of donated foods and the number of recipients has grown, it has become increasingly difficult to minimize the impact of these donations on regular retail food sales. This can have a serious impact on the local economy of some of our most depressed areas. It also requires increased expenditures on the part of these depressed areas to provide the necessary storage and distribution facilities and the personnel to properly supervise the program.

Finally, under the donation program, there is no practicable way of insuring that the Federal food donations actually result in a net increase in food consumption. In fact, there is evidence which indicates that these donations can significantly replace part of the family's previous food purchases, especially in the cereal and low-cost products group. While this makes it possible for the family to divert some of its food money for badly needed nonfood items, it doesn't help the nutrition of the family or the farmer's market.

Recognizing these limitations in the family donation program—and again at the request of the late President Kennedy—we inaugurated a pilot food stamp program in mid-1961. After nearly 3 years of careful experimentation and study, we are convinced that the stamp program represents a better and more efficient means of channeling more of the abundance of American agriculture to families in economic need.

That is why I am here today in support of H.R. 10222, the House-approved food stamp bill. For further study by the committee, I am submitting a section-by-section analysis of this bill.

The program authorized by H.R. 10222 has proved itself under a wide range of operating conditions. Its results, its acceptance, and its feasibility have been demonstrated over the past 3 years.

The food stamp approach was first tried out shortly before World War II. It was a good idea. It was highly popular. It helped increase food consumption, even though its design was unnecessarily complex. It was suspended in 1943—not because it was unworkable—but because wartime conditions had greatly reduced unemployment and greatly increased demands upon U.S. food supplies.

In designing the current pilot program, we set about to retain the good features of the old plan while eliminating the unneeded complexities. We believe that we have accomplished that objective and the simplicity of the program's design has accounted for its effectiveness and widespread acceptance. Pilot projects are now operating in 40 counties and 3 large cities in 22 States. I am submitting for the record a table which lists these project areas, together with the dates on which each project was inaugurated. Participation reached its seasonal peak of 392,000 persons in March. Preliminary estimates for May place participation at about 370,000, reflecting the increase in spring employment opportunities.

The specific purpose of a stamp program is to increase the food-buying ability of families whose limited incomes do not permit them to buy all the food they need for minimum good nutrition. In doing this, we utilize the existing commercial distribution system.

To insure that the stamp program actually results in increased food purchases, participating families are required to purchase food coupons. The purchase price, which varies by families, depending upon their size and income, is intended to approximate the amount of money they have been spending for food. A family exchanges the amount of money it has been spending for food for coupons of a higher monetary value, thus increasing its purchases of food in retail stores out of regular commercial stocks.

This basic principle—that families have to continue to spend about as much for coupons as they had been spending for food—is the key to the food stamp approach. By this mechanism, we and the Congress can be assured that the additional food purchasing power provided by the stamp program is actually used by the family to buy more and better food. As I have indicated earlier, there is no way, under the family donation program, that we can obtain such assurance.

The fact that the stamp program does not help a family save money on its food bills but only permits them to buy more food, has been hard for many people to immediately accept. This is understandable, because low-income families also have limited budgets for the whole range of their nonfood needs. But if we are to preserve the food and agriculture objectives of the stamp program, and if the stamp program is not to replace or lessen the need for general welfare programs, this program principle must be continued.

Under section 10(d) of the bill, States must agree not to reduce welfare assistance because of the stamp program. Also, under section 7(c), the value of the free coupons cannot be considered by local pub-

lic welfare people as income to public assistance families in setting the level of assistance. In other words, welfare grants cannot be reduced because the Department of Agriculture is providing the family some Federal food assistance.

Under the pilot program—and under the provisions of H.R. 10222—there is a high degree of Federal, State, and local cooperation in the operation of the stamp program. This makes it possible to gear the program to the economic needs and circumstances of participating States, their political subdivisions, and their needy families.

Administration and day-to-day supervision of the program will be the responsibility of the State agency which administers the federally aided public assistance program. That State agency must undertake the examination and certification of applicant households. It also must assume administrative responsibility for the issuance of the coupons, but it may delegate the day-to-day operational responsibilities for coupon issuance to another State agency, if permitted by State law. In other words, while permitting States some practical operational flexibility, the Department of Agriculture will be dealing with a single agency of the State.

Section 5 of the bill establishes a financial or income standard of eligibility to insure that participation is limited to needy households. It also provides that States will have an opportunity to adapt these income standards to their own situation, provided they are based upon the income standards they use in providing assistance under their own welfare programs. This is the same policy that has been successfully used in our direct distribution program.

Once its eligibility has been determined, the household regularly invests part of its own money in the program—in an amount that approximates its regular expenditures for food. In return, it receives an allotment of coupons of a higher monetary value, so that it is able to buy more and better food.

Under the pilot program, these coupons are used—like cash—to purchase all but a few imported foods at retail stores. The excluded foods have been coffee, tea, cocoa, bananas, and any packaged food which is identified on the label as being imported from foreign sources.

The coupons used in the pilot program are not the “postagelike” stamps used under the old stamp plan or in the World War II rationing program. They were designed and printed by the Bureau of Engraving and Printing, after consultation with the American Banking Association, the Secret Service, and the Federal Reserve System. They are slightly smaller than a dollar bill and can be processed by existing mechanical counting machines designed for our paper currency. They are issued in 50-cent and \$2 denominations.

The retailer handles the coupons like currency or other commercial paper. He redeems the coupons at his local bank. The bank, in turn, is reimbursed by the Federal Reserve System. The System, in turn, draws upon a separate account maintained in the U.S. Treasury.

These three features of the pilot program—the limited list of excluded food items, the design of the coupons, and the use of the commercial banking system for the redemption of coupons—have greatly simplified the operation of the program at the retail level. They have been universally accepted and applauded by food trade groups.

Our studies of the pilot operations have shown impressive results.

Participating families made significant increases in their purchase and use of food when they transferred from the direct distribution to the stamp program.

Livestock products and fruits and vegetables, alone, accounted for more than 80 percent of these gains in consumption, even though the only restrictions placed on purchases with food coupons was a limited list of imported foods.

Diets were improved. Between 40 and 50 percent of the food stamp families had diets that meet recommended allowances in all respects in the two areas where studies were made. Only one-fourth of the families had good diets under direct distribution.

Retail food store sales increased by 8 percent. Sales gains were reported for all sizes of stores from the very small ones to the largest.

The overall economy of the community has benefited as the stamp program has put new money into the area. We have numerous illustrations in our files from small retailers who have reported that they would have been forced to close down without the new business the stamp program brought. Others have indicated they have had to hire more help. Business groups and local officials have indicated that the program has given the entire community a needed economic boost.

Favorable reactions to the program were reported in a study of attitudes. These favorable reactions were obtained from moderate and higher income families as well as from families who were eligible for the program. Welfare workers indicated that they felt the program was an effective way to increase the food purchase of low-income families.

I should like to especially comment upon two program areas in which we feel there has been some misunderstanding:

First, it has been said that families with little or no income cannot participate in the stamp program because of the coupon purchase requirement. Such families are not excluded. The purchase requirement is geared to the family's current income and such families are receiving coupons free or at a "token" price.

Second, it has been said that the stamp program doesn't help the surplus problem.

The results of our study in Detroit indicate that the stamp program is a better approach.

Take grain, for example, Detroit food stamp families slightly increased their direct consumption of cereal products under the stamp program, even though they had previously been receiving four donated cereal items under direct distribution. More importantly, they substantially increased their indirect use of grains because of the gains in the consumption of livestock products. Overall, there was a 24-percent increase in grain utilization when these families moved from the direct donation to the stamp program.

The Detroit families also made significant increases in their use of fresh meats, poultry, shell eggs, fluid milk, and fruits and vegetables. Thus, outlets were increased—even though the method involved used commercial distribution channels.

We were able, also, to use this Detroit study to measure the program's potential impact on farm income. And the results indicated

that the stamp program would be more effective in raising farm income than is the present donation program.

The donation of cereal products to low-income families generally results in very little net increase in cereal consumption. Traditionally, these are the items that are heavily used by such families. When we give them flour, they tend to use it in place of the flour they normally would purchase. The money so released may then be used to buy other foods or—more probably—to increase expenditures for nonfood items.

Finally, I want to bring to your attention a serious operating problem which we believe the present language of H.R. 10222 will present to our Department, to cooperating retailers, and to participating families. It concerns the amended definition of “food” contained in section 3(b) of the bill.

Based upon our experience under the pilot operation, it was the recommendation of our Department that only competitive, packaged and labeled imported items be excluded from the stamp program—such items as imported canned meats and cheeses, etc. The exclusion of noncompetitive beverages—coffee, cocoa, and tea, for example, had proved to be an irritant to needy aging and to mothers who could not understand why they could not buy bananas for their children. However, the studies of our research agencies indicated that, at most, only 2 to 3 percent of the federally financed free coupons would be used for these four items.

→ The House-approved bill, nonetheless, has expanded the list of ineligible foods. It requires cooperating grocers to also exclude “luxury foods and luxury frozen foods.” We do not believe such a legislative requirement is necessary nor capable of enforcement.

Under the stamp program, it has been our objective to not only increase the food purchasing power of low-income families but also—with the help of existing nutrition education agencies such as our Extension Service—to assist them to use these extra food dollars wisely for improved nutrition. We want them to upgrade their diets—to move out of a low-cost cereal diet toward more livestock products and more fruits and vegetables.

We have been accomplishing our objective. Our studies of the pilot operation indicate that food stamp families concentrated their purchases on good basic foods. Fruit and vegetable purchases largely were accounted for by seasonally abundant fresh items—apples, assorted citrus fruits, potatoes, greens, tomatoes, and cabbage. Among the dairy products, fluid milk, evaporated milk, dry milk, and cottage cheese accounted for 90 percent of the value of their consumption.

In the light of the above, a specific legislative mandate to define what is—and what is not—a luxury food would entail a costly and unworkable requirement for the Department of Agriculture and cooperating retailers.

In fairness to cooperating retailers, we could not approach this matter of luxury foods on the basis of broad food categories. He—and his cashiers at the checkout counter—must have a specific list of excluded food items because the sale of ineligible items would place him in violation of the program.

✓ Retailers have recorded a remarkably good record of compliance under the pilot program—only 73 of the over 14,000 participating

stores have been found in violation. In part, this excellent record has been due to our efforts to thoroughly acquaint retailers with program requirements. In part, the limited list of excluded foods has made it practical for the storeowner to make sure his checkout employees understood the restrictions on the use of the coupons.

The typical supermarket may stock from 6,000 to 8,000 individual items. It might carry nearly 300 meat items and 68 different kinds of salad dressing and mayonnaise. He must know exactly what items he can and cannot sell for coupons. This matter of a detailed list of excluded foods was a principal weakness of the 1939-43 stamp plan. The designation of those individual food items that could be purchased with the free blue stamps became so complicated—and changed so frequently—that grocers found it virtually impossible to be sure that their employees understood and complied with this requirement.

As Secretary of Agriculture, I feel it would be damaging to the interest of American agriculture to systematically publish a list of luxury foods for food stamp purposes—even if a workable standard for making such determinations could be devised. Despite any explanation we might make, I believe the list would be unfairly used by some groups as an official Department of Agriculture designation of those foods that were overpriced in the marketplace.

Finally, there is the matter of developing a workable standard for defining specific luxury foods.

We have, for example, explored the possibility of eliminating all “convenience” foods. By this, I mean foods which have been partly or entirely prepared for serving in the marketing process, and which have a fresh or home-prepared counterpart—for example, cake mixes, dehydrated potatoes, frozen lima beans, or canned orange juice. But a Department study (“Comparative Costs to Consumers of Convenience Foods and Home Prepared Foods,” Marketing Research Rept. No. 609, Economic Research Service, USDA) a copy of which I am making available to committee members, appears to rule out this approach. Many convenience items—even if no valuation is placed upon the homemaker’s preparation time—represent a better buy for the consumer than do their counterparts in fresh or home-prepared form.

A price standard presents equally difficult problems. Certain cuts of meat could be considered a luxury for the low-income family. But, if these cuts came from utility or commercial grades, they might represent better buys than “economical” cuts from Choice and Prime beef. Equally serious problems would be encountered in defining luxury and nonluxury items in canned fruits and vegetables lines.

Seasonality is another factor. Fresh citrus or strawberries in the months of peak supply, could represent a good economical source of vitamin C. At other times, they might well be considered a luxury item when compared to other foods that are a good source of vitamin C.

It is my recommendation that we return to the definition of food that was originally proposed. “Food” means any food or food product for human consumption except alcoholic beverages, tobacco, and those foods which are identified on the package as being imported from foreign sources.

This country can and does produce more than enough food to meet the dietary needs of every man, woman, and child. The stamp pro-

gram represents our continuing search to find more effective ways to utilize this food abundance in the national interest. The program has proved itself in our 3 years of careful evaluation.

I urge enactment of H.R. 10222, with the revision we have recommended.

The CHAIRMAN. The inserts that you referred to in your statement will be made a part of the record at this point.

(The document entitled "An Analysis of H.R. 10222 as Introduced Into the Senate" and "List of the Pilot Projects," follows:)

AN ANALYSIS OF H.R. 10222 AS INTRODUCED INTO THE SENATE

SECTION 2. DECLARATION OF POLICY

This section outlines the finding by the Congress that a food stamp program will help to increase the utilization of food, maintain adequate national levels of nutrition, and strengthen our agricultural economy.

SECTION 3. DEFINITIONS

This section contains a definition of various terms used in the act. The significant definitions are:

Subsection (b) defines the term "food"—those commodities for which food coupons may be used. Ineligible foods are alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as defined by the Secretary, and foods identified on the package received by the retailer as of foreign origin. Acceptance of food coupons for any excluded food items, as well as for nonfood items, would subject the grocer to sanctions outlined in the act.

Subsection (e) defines "household." Food coupons are available only to households but this also includes a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

Subsection (f) makes it clear that the term "retail food store" includes not only grocery stores and markets but a food department of a general store or a house-to-house trade route selling food to households for home consumption.

Subsection (h) defines the "State agency" responsible for administering the stamp program as the State agency which has responsibility for the administration of federally aided public assistance programs.

SECTION 4. ESTABLISHMENT OF THE FOOD STAMP PROGRAM

This section provides general authority to the Secretary of Agriculture to formulate and administer a food stamp program.

It makes clear that participation is elective on the part of States by indicating that a request for the program must be made by the State agency. It is contemplated that the Governor could request the program but its inauguration would be based upon submission of a satisfactory State plan of operation by the State welfare agency, as required in section 10.

SECTION 5. ELIGIBLE HOUSEHOLDS

Subsection (a) defines "eligible households" as "those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet."

Subsection (b) provides that each State shall establish specific standards of eligibility within the above general standard and that the State standard shall be related to the State's own standards for the granting of public assistance. This procedure for establishing eligibility standards has been used under the pilot stamp program and the direct distribution program for needy households.

The food stamp program would not be limited to households which are receiving public or general assistance. In fact, a substantial number of those who have qualified for food coupons in the pilot programs now being conducted throughout the country are not on public assistance. In some areas such households comprise as much as 60 percent of those qualifying for food coupons.

As provided in section 10, the examination and certification of those eligible to participate in the program also is the responsibility of the State agency.

SECTION 6. ISSUANCE AND USE OF COUPONS

This section authorizes the printing of coupons, which shall be simple in design.

It also provides that households shall be charged the regular retail price when they purchase food with coupons. However, the language of the section makes clear that the Secretary of Agriculture has no authority under this act to specify or control wholesale or retail food prices.

SECTION 7. VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

This section contains one of the basic provisions of this act. Participants must pay for the food coupons they receive—in amounts that are determined to be equivalent to their normal expenditures for those foods which can be purchased with food coupons. The whole theory of the food stamp program is that of expanding the ability of low-income households to purchase food. The coupons are not given free to any participants, except those with no income. In the pilot program, participants are paying on the average approximately \$6 of their own money for every \$10 worth of coupons issued to them.

This section also provides that the funds collected from participants must be promptly deposited in the separate account maintained in the U.S. Treasury. The Department of Agriculture will also transfer to this separate account sufficient funds from the annual appropriation for the program to cover the value of the free coupons issued to participants.

SECTION 8. APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

This section outlines the procedures under which wholesale and retail food concerns may apply for authorization to accept and redeem food coupons. Subsection (c) provides that any such concern which has been refused authorization to participate in the program may appeal such a decision, first to the Secretary of Agriculture, and then to a State or Federal court.

Wholesale food concerns need apply for participation in the program only if they wish to serve as an intermediate coupon redemption agent for retailers. They need not be authorized in order to sell food to retail stores participating in the program.

SECTION 9. REDEMPTION OF COUPONS

This section provides for the redemption of food coupons through the commercial banking system.

The retailer will deposit the food coupons in his regular bank, where they will be credited to his account, the same as checks or other commercial paper. The retailer may elect to redeem the coupons through an authorized wholesale food concern, which would then deposit the coupons in a local bank.

Commercial banks will redeem the coupons through the Federal Reserve System. The Federal Reserve System will be reimbursed out of the separate food stamp account maintained in the Treasury.

SECTION 10. ADMINISTRATION

The State agency responsible for the administration of the federally aided public assistance program shall assume responsibility for the certification of applicant households. That same agency would assume responsibility for the sale and issuance of food coupons, unless it desired to delegate this issuance responsibility to another agency of the State government. In either event, it would be possible for the State agency to make arrangements with local government agencies (or with banks) for the actual sale and issuance of the food coupons.

It is the intent that eligibility for the stamp program be determined with the same care and in the same manner as States determine eligibility for the federally aided public assistance program. Thus, this section requires the State agency to carry out its certification responsibilities under the same general procedures and merit system personnel standards as are required of such agencies by the Department of Health, Education, and Welfare in the administration of the federally aided public assistance program. While this section provides that the State public assistance agency assume full responsibility for the certification of applicant households, it is not the intent to preclude the use of casework information and records on the economic status of house-

holds which has been developed by other public agencies that are responsible for the granting of general assistance or relief.

This section also requires the Secretary of Agriculture to provide a reasonable time for corrective action if a State agency is not in substantial compliance with the requirements of this act.

SECTION 11. DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

It is intended that the Secretary of Agriculture take all possible steps to obtain the full cooperation of food retailers and wholesalers in obtaining voluntary compliance with the provisions of this act by (1) developing program regulations within the framework of commercial food retailing and wholesaling practices; (2) informing retailers and wholesalers of their responsibilities when the program is inaugurated in a new area; and (3) maintaining a continuing educational program for them after the stamp program has been placed in operation.

This section, however, does provide for the disqualification, either permanent or temporary, of any wholesale or retail food concern from participation in the food stamp program when there is evidence that the store or concern is not adhering to the requirements established in this act. Such action may be taken by the Secretary only pursuant to the provisions for administrative action set out in section 13 and there is no authority for the Secretary to suspend or revoke participation in the program without due notice and an opportunity for hearing.

SECTION 12. DETERMINATION AND DISPOSITION OF CLAIMS

This section gives the Secretary final authority to determine the amount of and settle or adjust any claim which may be brought under the provisions of this act. The Secretary's determination is, of course, subject to the administrative and judicial appeals provided in section 13.

SECTION 13. ADMINISTRATIVE AND JUDICIAL REVIEW

The rights of retailers and wholesalers are carefully guarded under the provisions of this act.

This section provides for administrative and judicial review of the decision of the Secretary with respect to the denial of any application of a retail or wholesale food concern to participate in the program, the disqualification of such a participating concern, or the denial of all or any part of a claim of such a concern under the provisions of section 12.

The section provides, in brief, that notice of any such proposed action on the part of the Secretary must be delivered to the concern involved by certified mail or personal service; that the concern shall have a period of 10 days in which to submit information in support of its position; that if the decision following such administrative review is against the food concern it shall have a period of 15 days before any order takes effect, and a total period of 30 days, during which it may file an action in the U.S. district court or any State court of competent jurisdiction seeking to have the determination of the Secretary set aside.

SECTION 14. VIOLATIONS AND ENFORCEMENT

This section makes it a violation of Federal law to knowingly use, transfer, acquire, or possess coupons in any manner not authorized by this act or to present, or cause to be presented, such coupons for redemption knowing them to have been received, transferred, or used in any manner in violation of the provisions of the act.

Subsection (d) makes the coupons issued under this act "obligations of the United States" within the meaning of the criminal statutes relating to counterfeiting and forgery.

SECTION 15. COOPERATION WITH STATE AGENCIES

This section specifically provides that the program shall be a joint undertaking on the part of the Federal and State and local governmental units. It further provides that sources within the State shall finance all but a small portion of the cost of administering the stamp program within the various States.

Subsection (a) provides that each State shall pay from available State or local funds the costs of carrying out the administrative responsibilities assigned to it

under the provisions of this act, including certification of eligible households and the investigation and interviewing incident to such certification, the handling, storage, and protection of coupons after their delivery to receiving points within the States, the issuance of such coupons to eligible households, and the control and accounting for such coupons.

Subsection (b) provides that with respect to the certification of households which are not receiving any type of welfare assistance, part of the cost will be paid by the Federal Government. The basic reason for this provision is to insure that all of the eligibility standards required for participation in the program are carefully observed in the certification of those participants not on public assistance programs. The participation of the Federal Government in these costs will be less than the usual 50-50 sharing of the costs of administering public assistance programs in the States under the Social Security Act.

SECTION 16. APPROPRIATIONS

Appropriations for the program are authorized only for the period through June 30, 1967.

The maximum amounts authorized are: \$75 million for 1965; \$100 million for 1966; and \$200 million for 1967.

The annual appropriation would be used to cover (1) all program costs, including such costs as the value of coupons issued free of charge to households, related costs in the printing and shipment of coupons, and payments to other cooperating agencies; and (2) Federal administrative expenses.

List of the pilot projects

State and county	Opening date	February 1964 participation (number of persons)
Jefferson County, Ala.....	Mar. 11, 1963	15,829
Walker County, Ala.....	May 6, 1963	6,576
Independence County, Ark.....	Apr. 2, 1963	1,174
Humboldt County, Calif.....	Mar. 1, 1963	878
Franklin County, Ill.....	July 10, 1961	2,385
Vanderburgh County, Ind.....	Apr. 1, 1963	4,789
Rice County, Kans.....	June 3, 1963	49
Floyd County, Ky.....	June 1, 1961	6,374
Knott County, Ky.....	Dec. 3, 1962	5,483
Perry County, Ky.....	Mar. 4, 1963	6,730
Avoyelles Parish, La.....	Mar. 1, 1963	7,047
Evangeline Parish, La.....	Jan. 7, 1963	10,313
Detroit, Mich.....	July 5, 1961	60,158
Carlton County, Minn.....	Mar. 1, 1963	880
Itasca County, Minn.....	(1)	2,038
St. Louis County, Minn.....	(1)	9,917
St. Louis, Mo.....	Jan. 2, 1963	12,046
Silver Bow County, Mont.....	June 1, 1961	1,137
Mora County, N. Mex.....	June 3, 1963	650
San Miguel County, N. Mex.....	June 5, 1961	3,603
Santa Fe County, N. Mex.....	June 3, 1963	1,812
Nash County, N.C.....	Nov. 1, 1962	8,886
Cuyahoga County, Ohio.....	May 1, 1963	54,084
Lucas County, Ohio.....	Dec. 3, 1962	13,957
Multnomah County, Oreg.....	do.....	11,473
Cambria County, Pa.....	Mar. 1, 1963	10,443
Fayette County, Pa.....	June 1, 1961	21,017
Luzerne County, Pa.....	Oct. 1, 1962	11,727
Pittsburgh, Pa.....	Mar. 1, 1963	38,990
Grundy County, Tenn.....	June 10, 1963	1,798
Hamilton County, Tenn.....	do.....	6,247
Marion County, Tenn.....	do.....	3,176
Sequatchie County, Tenn.....	do.....	477
Dickenson County, Va.....	Mar. 4, 1963	3,138
Lee County, Va.....	Mar. 5, 1963	2,783
Wise County, Va.....	Feb. 1, 1963	3,727
Grays Harbor County, Wash.....	Sept. 3, 1963	1,242
Logan County, W. Va.....	Nov. 1, 1962	8,296
McDowell County, W. Va.....	May 29, 1961	9,562
Mingo County, W. Va.....	Nov. 1, 1962	7,838
Wayne County, W. Va.....	do.....	5,354
Douglas County, Wis.....	do.....	1,778
Irou County, Wis.....	Mar. 1, 1963	394
Total.....		386,255

¹ Hibbing-Virginia-Nashwauk complex entered program June 5-7, 1961; remainder of Itasca and St. Louis Counties entered program November 1962.

The CHAIRMAN. Mr. Secretary, I followed the statement very closely, and it is very well put.

Are there any other suggestions or amendments that you would propose, aside from a definition of foods that you mentioned?

Secretary FREEMAN. No, this is the one that we would recommend to the committee; otherwise, we would find the bill quite workable, based upon our experience with it.

The CHAIRMAN. Would you suggest any limitation on the income received by families who would be entitled to this food?

Secretary FREEMAN. I think that the administrative regulations and the definitions in the act now are such that there is a limitation of income, although it is not stated categorically in dollar terms, because it is geared to the current practices that are applied in the given community by the certifying agency under the on-going public assistance programs; and, therefore, I think that necessarily varies with the family's circumstances, the number of children in the family, and it gives a flexibility which has been proven in practice necessary to prevent abuses and by the same token to make the program workable.

The CHAIRMAN. To what extent have you found that the limitations provided by the State assistance programs, let us say in a State like California or a State like Michigan, or a State like Mississippi are satisfactory in determining the amount of income necessary in order to make the food available under this plan?

Secretary FREEMAN. Well, it would vary, Senator, according to the practices, according to the general living standards, according to the costs of the various States.

Further, that is general in terms of the amounts, it would be more, perhaps, in a metropolitan area than in a rural area—because food, the cost of living would vary—all of this is taken into consideration by the local people who make the determination.

In addition, there are differences in terms of who can qualify. I might give you an illustration.

Someone who could not qualify for old-age assistance, because he was a year short, but nonetheless was not employed, and needed food. He could not qualify for old-age assistance, but he could qualify under this program.

In some States an able-bodied person who is unemployed and cannot find a job, under law is not entitled to any kind of public assistance. In other States he is entitled to public assistance.

Under this program, he would be.

And the same thing can be said for the disabled. So there are a good many variations both in amount and in certification under various laws, but I think that one of the important parts of this is the necessary adaptability and flexibility which is applied by the local people pursuant to their on-going programs under our overall supervision.

The CHAIRMAN. Is that matter left entirely to the States, to make that determination?

Secretary FREEMAN. Yes. They make the determination and then we work out with them an overall system of application and the administrative procedures so that we are assured that there will not be abuses.

The CHAIRMAN. Would you suggest guidelines to be written into this law so that the States will merely provide the programs in keeping with what we are trying to do here?

Secretary FREEMAN. I think, Senator, that if you—

The CHAIRMAN. I understand that this is the practice, but I am talking about having that incorporated in the law itself.

Secretary FREEMAN. Under the administrative practices—

The CHAIRMAN. I have not had an opportunity to study this bill as a whole, and I am merely asking questions so that if it should come up for discussion before the committee we would like to have your reaction on it. It would seem to me at first blush that there ought to be some limitation as to the amounts and who is to receive this food. I could well see that a program of this kind can mushroom and snowball very quickly, unless we have adequate guidelines that would be used by the States in their efforts to make a fair and equitable distribution of the stamps.

Secretary FREEMAN. I believe, Senator, that section 5 does have pretty clear and measurable guidelines in this respect. It provides that the program shall be devoted to those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

And then it provides that—

Each State shall establish standards to determine the eligibility of applicant households which standards among other things shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

What it comes down to is that there are already operating standards that are pretty clear in each State for these programs, and they would be adjusted under the overall review of the Secretary, and I believe that this is a pretty clear guideline, and we have not had much experience with any abuses.

The CHAIRMAN. I can well see that if you establish a standard in the bill that is already in operation in the State, let us say, where you have social security, or you have pensions, and where you have this, that, and the other, but as I understand this bill goes far beyond the people who are now receiving any kind of income from the States by virtue of any programs.

Secretary FREEMAN. It does not go far beyond, Senator. In certain instance it goes beyond and in those cases where a State does not qualify a person, for example, because he is a year short of being 65 years of age, this would be that kind of an example. Another example would be a State that provides that families including an able-bodied person who is not employed, are not entitled to any kind of relief. This would be to pick up those areas where, primarily, for technical reasons they are not able to get public assistance, not necessarily to a much higher level of income, because the level of the income is pretty generally applied throughout the States and the variations between States.

I do not mean to be necessarily against further guidelines. The thing that I would call the committee's attention to is the fact that it is extremely difficult to set down a dollar amount or a specific figure which will be applicable all over a nation as large this one.

The CHAIRMAN. If you let the States say who is to receive it, I fear that some local people might get into it and use it as a lever to do something.

Secretary FREEMAN. To be perfectly frank with you, this has happened in the direct distribution program, and that is why this program operates differently. This program is operated by the services using career service people in the respective States, the public welfare people themselves, who are doing the certifying, and are required to do it under the current public welfare programs on a State-Federal basis, and so we use the same people and were we to start differently, with the family feeding program, the very abuses to which the Senator has addressed himself would be less difficult to handle.

The CHAIRMAN. Since the State will present its own program, is there anything in the bill that would cause a State to be responsible financially or otherwise in the event that cases may arise where food is given to people not entitled to it?

Secretary FREEMAN. The Secretary, in the bill, will be specifically authorized to deny the program to States in that situation.

The CHAIRMAN. That is in the future. What about the past?

Secretary FREEMAN. Mr. Davis, is there anything financially running to the State by way of recovery?

Mr. Davis is the administrator of our food distribution program.

**STATEMENT OF HOWARD P. DAVIS, DIRECTOR, FOOD DISTRIBUTION
DIVISION, AGRICULTURAL MARKETING SERVICE, U.S. DEPART-
MENT OF AGRICULTURE**

Mr. DAVIS. We have levied claims against States for mishandling of commodities. We have had no occasion to hold a State financially responsible for instances of improper certification. Where the program has resulted in losses of the commodity because they have given it to the improper outlets, and that sort of thing, we have recovered.

Secretary FREEMAN. There are two questions that the Senator has asked.

First, where direct distribution is concerned, the answer is yes. You have that action under the family distribution program, but the problem is different under this, because it goes through the commercial channels for its distribution. It is different under this, because it goes through the commercial channels for its distribution and there is provision for action and recovery against a store, for example. That is not in the bill, but that is in general legislation.

What is the name of that general legislation?

Mr. DAVIS. The laws governing the submission of false claims against the Government.

The CHAIRMAN. Well, since the States, as I understand it, would be called upon merely to administer this in distributing the stamps that you make available, and things of that kind, and not at all responsible for the amount of food, that is, the cost of the food that is to be distributed, in addition to what the beneficiaries would normally receive, do you not think that there ought to be some responsibility put on the State?

Secretary FREEMAN. Financially I think that you have a good point there. That is not in the bill. Do I understand you correctly in what

you said here that there ought to be a provision in here that if a State acts improperly in issuing coupons to someone who is, obviously, not entitled to such——

The CHAIRMAN. That there ought to be some responsibility for that.

Secretary FREEMAN. That there ought to be financial responsibility for the coupons wrongly issued. I think so.

The CHAIRMAN. I would like to ask more questions, but I understand that Senator Aiken must leave soon, and others may have to leave, too. I do not want to take up all of the time.

Senator Aiken.

Senator AIKEN. I have another appointment at 10 o'clock. I want to say that the Secretary has made a very good statement in favor of a worthy objective in regard to this subject.

I would say this bill proposes that those who are now getting free food can get better food by paying part of the cost which they can afford and then receive additional foods. That will help the general health of the public.

However, I do not think the Secretary made it quite clear as to how it would bolster the agricultural economy. The fact is that if a family is very poor, they eat a lot of free cereals. Let us say they eat 1 bushel of cornmeal. If they can get animal products, instead of consuming 1 bushel of corn, they will consume, at least, 5 bushels of corn.

Secretary FREEMAN. That is correct.

Senator AIKEN. And in that way it would increase the demand in the market for grain in this country.

I want to say, Mr. Chairman, that I am still in favor of this bill, as I have been for 20 years. I was Governor of my State when the food stamp plan was in effect in the late 1930's. In our State it worked almost the best of any of the emergency programs which were in effect during that decade.

The CHAIRMAN. That is the point that they had a good Governor.

Secretary FREEMAN. I understand.

Senator AIKEN. That has something to do with it, perhaps. [Laughter.]

I do not know how you can enact any program in which there will not be some who will not try to cheat.

The CHAIRMAN. In other words, put the responsibility in the State, in those who administer, and not only those who consume.

Senator AIKEN. If we concentrated on the cheaters and did away with the programs in which people cheat, the first thing that we would do would be to eliminate all of our tax legislation, because some persons are trying to cheat on that all the time.

I think that this is a very worthy program. I told you yesterday that I would help vote it out after the civil rights bill was passed. That is nearly out of the way, and I will help on this legislation.

The CHAIRMAN. Since you raised the question as to reporting it out, what I am anxious to do is to have you inform us so that we can get our teeth into this and put it on the calendar and let the leadership decide when to take it up. I believe that we might get good suggestions from those present. I understand that Senator Hickenlooper must soon leave. And you have to go, too.

Senator YOUNG of North Dakota. No.

Senator HICKENLOOPER. I have another meeting at 10 o'clock.

The CHAIRMAN. Does anybody else have to go?

Senator HICKENLOOPER. I would like to ask a question or two.

The CHAIRMAN. Certainly.

Senator HICKENLOOPER. As I look at this bill and your statement it seems to me that it is an utterly open-ended no-control bill. There are no guidelines in this bill except the local discretion and manipulation of local authorities in making available these food stamps.

I do not think that there are any basic criteria set up in this bill for need. I would hope there would be.

I am not opposed to the principle of food stamps that reaches genuinely needy people. But I do not think that this bill does it. I think it opens the way for abuse and for corrupt action. I think it is wide open, so far as their food stamps are concerned, to get food at a low price, and then probably bootlegging the food to others to get a small amount of money to buy things they might not otherwise need in their diet. I think the bill is greatly deficient in that respect and it poses dangers.

There is one thing that I want to ask about. Have you examined the civil rights bill and the legislation that is going to pass where an area is charged with and perhaps prosecuted or convicted of segregation practices, in such an instance, are you going to cut off the food stamp plan there, or will you continue it? Is that affected in this?

Secretary FREEMAN. As we have been administering this program for 3 years now and have had no problems of this kind—

Senator HICKENLOOPER. I am not talking about that. I am talking about the provisions in the present civil rights bill on the cutting off of Federal funds and Federal projects in the event of violations of the provisions of the Civil Rights Act. It would seem to me that this is a Federal Project. Do you intend to make an exception to this or will it come under the purview of a particular provision.

Secretary FREEMAN. I think that the civil rights bill, as I have observed it—and I am sure that the Senator is more familiar with it than I am—will apply to this and to any other programs and of course I will obey the law.

Senator HICKENLOOPER. Is it your opinion that the provisions of the civil rights bill, as they now exist and will undoubtedly pass today, that under those provisions violations of those provisions against segregated practices would call into effect the denial of the Federal program to such areas, and that it would, also, affect the food stamp plan in these areas?

Secretary FREEMAN. I expect they would. But it is an academic question.

Senator HICKENLOOPER. I do not think that it is academic. I am not talking about that.

Secretary FREEMAN. It has not in 3 years.

Senator HICKENLOOPER. I am not talking about that for 3 years. For 3 years you have not had a Civil Rights Act. I am talking about under the act.

Secretary FREEMAN. For 3 years we have not had any discrimination.

Senator HICKENLOOPER. Well, then, why have the Civil Rights Act?

The CHAIRMAN. You mean in the food distribution program?

Secretary FREEMAN. Yes, in the food distribution program.

Senator HICKENLOOPER. I am not talking about that. I am talking about the basic principles and provisions of this law. But be that as it may, I just wanted to know whether you had gone into that particular phase of it.

You say here that this will increase the consumption of meat products. Does that mean that we will continue to buy meat and increase foreign importations of meat and use this to be a means and method of doing that?

Secretary FREEMAN. No, this will not instigate any buying of foreign meats.

Senator HICKENLOOPER. You are buying it now.

Secretary FREEMAN. I am not buying any foreign meat, no, sir.

Senator HICKENLOOPER. You propose to, do you not?

Secretary FREEMAN. No.

Senator HICKENLOOPER. What are these programs whereby we were going to buy meat off the program?

Secretary FREEMAN. We have been buying—

Senator HICKENLOOPER. You buy a quarter of beef which is butchered in this country, and supplant it with imported beef, that is the same as the Government buying the imported beef. You buy so many pounds of beef.

Secretary FREEMAN. I think that the Senator is misinformed. That is not true.

Senator HICKENLOOPER. What do you mean, that you are not buying meat at all?

Secretary FREEMAN. Yes, we are buying domestic beef.

Senator HICKENLOOPER. That is it. You are buying beef, as I understood from the news releases, in order to relieve this surplus and meanwhile the importation of beef is increasing into this country.

Secretary FREEMAN. The importation of beef is down to a 5-year level.

Senator HICKENLOOPER. I beg your pardon. You are using the figures which the Department of Agriculture seems pleased to use, but I understand that you are not using the most accurate figures of the inspection service which is actually inspecting the meat that comes into this country and that shows more is coming in this year than came in last year.

Secretary FREEMAN. The Senator is misinformed. If you will go back to the Congressional Record—I will be happy to send you a copy of it—where Senator McGee clarified this on the floor of the Senate several weeks ago, the figures which were misunderstood—and it was understandable how they could be—referred to the inspection of meat. There is some meat that comes into this country that is not inspected for as long as 3 to 6 months after it has come in. Therefore, these are not representative figures in terms of the imports. The import figures show a significant drop in imports already this year, and we know that we will have a much larger drop and be at the 5-year level that is currently called for by legislation. So I am happy to have this chance to clarify this. You have been very busy on civil rights, and you did not have a chance to look at it.

Senator HICKENLOOPER. It depends upon what set of figures you use.

Secretary FREEMAN. I kind of resent that—it does not depend upon that. That implies a misuse of figures and I am as honest and objec-

tive as I can be in drawing your attention to the two different sets of figures that tell different things. The import figures that are officially kept by the U.S. Government are kept basically by the Commerce Department as to our imports show that the imports are down. The meat inspection figures must be adjusted for the amount of meat that came in before his import year began in order to be accurate in that respect, and there is no dishonesty, no rigging of figures, no manipulation. That is just, I think, an honest misunderstanding.

Senator HICKENLOOPER. I see. Well, I think that in the main—I have to go, Mr. Chairman. I thank you for the courtesy of being permitted to ask these questions. I hope that this bill can be corrected so that we will have some guidelines as to who will get the stamps and not leave it up to the itinerant judgment of local areas as to those they want to favor and those they do not want to favor.

The CHAIRMAN. I hope that our good friend will be able to detect that. That is what I was after when I was asking these questions. I believe that there ought to be some kind of guidelines, because I can well see that if you put the distribution of millions of dollars of food in the hands of the States, and with the States simply administering it, and we put up the food, why, it would be open, in my opinion, to a lot—I will not say rascality—but something like that.

Senator HICKENLOOPER. I think that is the big danger in this bill. I am not against the basic principle of getting food stamps to people who really need them and where it will accomplish something but the leeway for abuse in this application of Federal funds is there.

The CHAIRMAN. As Senator Aiken pointed out, so long as it can be done and this food can be distributed to people who need it, why I do not see how anybody can object to it.

Senator HICKENLOOPER. Oh, no, I do not object to it.

The CHAIRMAN. Anybody else have any questions who must leave?

Senator TALMADGE. Mr. Secretary, I assume that the purpose of this legislation is twofold. One, public welfare, and the other to expand the use of foods of which we have a surplus in this country, is that correct?

Secretary FREEMAN. Yes.

Senator TALMADGE. That is the reason that medicine and clothing were left out, because of the food aspect?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. In some respects medicine and clothing might be more desirable than food, particularly medicine and drugs, if someone is ill. You would oppose including them in this bill, I presume?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Now, let us get down to the administration thereof. I have been intrigued by some of the questions that have been asked. And in my own hurried study of the bill it seems to be left almost completely and entirely up to the discretion of each State authority, subject, of course, to the Secretary's approval.

What has been the experience to date on these pilot programs? What is the minimum amount of earnings that have been used as the guideline and what is the maximum amount?

Suppose that you have a widow living alone who earns \$200 a month. Has she been eligible anywhere in the United States to get these stamps?

Secretary FREEMAN. Let me ask Mr. Davis to answer the specific question as to the \$200 and the widow and let me try answering generally.

As a practical matter, the way that this has been operated, and quite successfully, first of all, the certification is being made, as I said, by people who are currently certifying under the programs as such, such as old-age assistance in the respective States. When they interview and review what an applicant's situation is, first of all, they determine the amount of income that that person gets and what his obligations are, and that kind of thing as in any routine welfare case. They will then, also, have available an analysis of that area and what is the general practice and the level of food and food use and the rest, which varies around the country. And working with them we have prepared an operating chart, as it were, so that they then are able, when they determine in what category a person comes in relation to his income, to say, "Here is Mrs. X under x conditions and she will fit into a given category," which would mean that she ought to have, let us say, \$50 a month for food. She has been spending \$20 a month for food. Therefore the difference is \$30. And by investing the \$20 she gets \$50 worth of stamps and that can then be used in commercial channels.

Senator TALMADGE. Is the determination made on what they ought to eat, how much they ought to spend for food, or what their total income and economic circumstances are?

Secretary FREEMAN. Both. And what they ought to be spending for food, No. 1, and what they are spending for food in relation to their current income status, No. 2, and the difference becomes the amount of the additional stamps that are added to the amount that they already have been spending, so that they buy these stamps in a sense.

Senator TALMADGE. What ceiling, if any, is presently used as a maximum before one can get the stamps? I realize that State laws and regulations may vary from State to State, but is there any maximum?

Secretary FREEMAN. The maximum would be the maximum of well-accepted standards of what constitutes an adequate and nutritious diet. In some cases, with some people, where they would have a current level very much lower than that, why, they might not immediately go as far as that level, because it might result in the availability of significantly increasing amounts of food that might not then be put into effective use. These are judgments that are made according to the practices and the background in each area.

Senator TALMADGE. Is there any maximum income standard presently applied—is that made locally, that determination?

Secretary FREEMAN. It is made up.

Senator TALMADGE. You might have a fellow who earns \$10,000 a year and spends most of his money on alcoholic beverages. And he may buy very little food.

Secretary FREEMAN. In that instance—

Senator TALMADGE. And then say that he needs to eat more and that he is entitled to more stamps.

Secretary FREEMAN. Income determines eligibility. It determines eligibility under the on-going welfare programs.

Senator TALMADGE. What is the maximum presently approved by the Department of Agriculture?

Secretary FREEMAN. I will ask Mr. Davis to answer that.

Mr. DAVIS. It varies by family size. And as you pointed out, it will vary by the various States. Taking a one-person family, I believe that our current food stamp eligibility standards set by the States and approved by us run from something like \$60 to \$70 to \$135.

Senator JORDAN of North Carolina. A month?

Mr. DAVIS. Yes.

Senator TALMADGE. Per individual?

Mr. DAVIS. For this one-person household.

The CHAIRMAN. For the household?

Mr. DAVIS. Yes, but where it is a one-person household—

Senator TALMADGE. If it be five people, then it would be five times that?

Mr. DAVIS. No, sir. I believe the highest five-person family standard applied by the States would possibly run not over \$300—somewhere in that neighborhood.

Secretary FREEMAN. That is the total income.

Mr. DAVIS. That is the total income for the household of five persons for one month. You must remember that the old-age assistance maximum payments vary among the States from very small amounts. I think as low as about \$45 a month in some States, up to considerably more than that, over \$100 in a State like California, and in some other States.

I really believe that we do have a fairly tight standard written into this bill. The eligibility standards that the States establish for the food stamp program must bear a direct relationship to the standards they are already using for the public assistance families. This standard is expressed in terms of maximum income for that household per month, and this in turn must bear some direct relationship to what the State standard is for its public assistance people. We then apply that income standard to these households that are not receiving public assistance. In other words, we can make the flat out statement that there would be no \$10,000 a year people eligible for the program, because no State would allow that much income and still give public assistance.

Senator TALMADGE. This language is not clear on that. On page 5, line 8 it states:

Each State shall establish standards to determine the eligibility of applicant households which standards among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program.

They will take that into consideration only among other factors. And it looks to me like some of the complaints that have been made here are true, that part subject to the approval of the Secretary. I have confidence in the Secretary. I do not think that he will go completely wild, but suppose that you had some States that said, "We are going to make everybody healthy and wise under this program." And under this language, as I see it, they would have authority to do this.

Mr. DAVIS. No, sir. We intend, and our section-by-section analysis, I believe, will bring out that this applies to family incomes and that

that income must bear some relationship to the total amount of income that they would allow a family to have and still receive public assistance. So you do have, as the Secretary has said, well-established State standards for public assistance.

Senator TALMADGE. Would there be any objection to putting that in plain English so that folks could read it and understand it and not have to rely upon someone's imagination as to what the law is?

Mr. DAVIS. Yes, sir. If we could get better language in this section we would be very happy to have it. Remembering only one thing, that the program must be left flexible enough to be adapted by the States to their own individual circumstances, their own individual levels of income and levels of economy. As the Secretary pointed out, you would not want to set a national standard that would apply the same income ceiling to a person in Philadelphia or Detroit that you would apply to a rural community in southern Ohio, perhaps.

Senator TALMADGE. Yes, of course.

Mr. DAVIS. And this is the reason why it is not more specific now, to allow for this flexibility, but if we could put in some additional language, all right.

Senator TALMADGE. I agree with you that we should have flexibility. I am aware, of course, that someone who lives in a rented apartment in a large metropolitan area will necessarily have higher costs of living than someone who lives in a rural area and has his garden and some chickens to help sustain him. It seems to me there should be something more than subject only to the discretion of whoever the local State officials may be and subject only to the discretion of whoever may be the Secretary of Agriculture at some future date.

Now let me ask something about how this thing works. Let us get into the details of it. I assume that you would print the stamps, and the stamps in turn would go to the respective State agencies for distribution; is that correct?

Secretary FREEMAN. Yes, sir.

Mr. DAVIS. Yes.

Senator TALMADGE. In my own State it would be the welfare department. Is that correct?

Mr. DAVIS. Yes.

Senator TALMADGE. And then the county welfare director makes inquiry as to the specific cases; for example, someone walks in and says, "I want to get some of these food stamps." And then they say, "Well, the State law makes you eligible under certain conditions." Is that the way it works?

Mr. DAVIS. Yes.

Senator TALMADGE. Then they make the determination as to whether this person is eligible or not, depending upon his income and what the person in the agency thinks that particular family ought to have to eat a month; is that correct?

Mr. DAVIS. Essentially; yes, sir. Except that we have worked out the tables ahead of time, based on the general averages as to what you would expect a given family, with a given number of people and a given income, would spend for food. It is not worked out with each individual family as they come in, but we have these tables such as I have in my hand here that are worked out with the State welfare people based on these eligibility standards, based on departmental studies

and other studies as to what you could expect a family of four, with an income of \$150 a month to spend for food.

Senator TALMADGE. All right. Let us take that situation. Suppose we have a family of four—a husband wife, and two children—and their income is \$1,800 a year. The man comes in and says that he wants to get some of these food stamps just as cheaply as he can. What are the mechanics for going forward?

Mr. DAVIS. There is only one price that he can pay. He must pay that price or none. There is no flexibility as to whether he can buy a small amount or a large amount. And the reason for that is the very basic principle of the program which the Secretary has explained; that is, that the only way that we can be sure that the food coupons we give them will go for additional food is to make sure that they first pay what they would normally spend for food.

Senator TALMADGE. All right. Let us get into that.

The CHAIRMAN. They have to buy the stamps.

Senator TALMADGE. We have a family of four earning \$150 a month wanting some of these stamps. What determination does the local welfare worker make?

Secretary FREEMAN. Let me answer this specifically. He would have operating knowledge of what a family in that income level would be spending or should be spending proportionate to other costs in the community. Let us say that they are spending \$25 a month for food out of the \$150 and that \$50 would be more likely. But, also, with the additional standards and practices in the different areas, they might be spending \$100 a month for food. They look down to a family of four with an income of \$150. They are spending on the average of \$25. They ought to spend on the average of \$50. Therefore, \$25 is spent, and with that they can buy \$50 worth of stamps, is that right?

Mr. DAVIS. Yes, sir. To be more specific I have before me a table that was worked out for the city of St. Louis, which is a sort of average situation. It is not high and it is not low. The welfare worker in the case that you cite for a four-person family coming in with \$150 a month income would look to this table. There is an income bracket here of \$140 to \$159.99. They would be required to pay \$60 for their coupons. They would get \$86 worth of coupons. In other words, a bonus of \$26.

Senator TALMADGE. How do we arrive at this price of \$25, on this hypothetical family of four with earnings of \$150 a month—how did we reach this price of \$25 for which they receive \$50 in stamps?

Mr. DAVIS. In this way.

Secretary FREEMAN. How did you work out the table; that is the question.

Mr. DAVIS. We reached a conclusion that they normally would be spending \$50 for food.

Senator TALMADGE. The stamps cost \$25 for the \$50 worth of stamps?

Secretary FREEMAN. May I make a suggestion? The actual case and the actual table might be such that this hypothetical family that we are talking about might be different.

Senator TALMADGE. I want to find out the cost of the stamps and how you reached that conclusion. I may want to buy some myself.

Mr. DAVIS. All right, sir. In this particular instance if they had an income of \$150, we would require them to pay \$60 for their food and get \$26 in addition, a total of \$86.

Senator JORDAN of North Carolina. How is that, now?

Secretary FREEMAN. How did you work out the table?

Senator JORDAN of North Carolina. Give me that again—you lost me there.

Mr. DAVIS. This hypothetical family of four has an income of \$150 a month. According to the table that we have prepared, based on studies, and based on the local knowledge, in agreement with the welfare people, such a family would pay \$60 for their food coupons.

Secretary FREEMAN. Why the \$60?

Senator TALMADGE. How many dollars worth of food coupons would that be?

Mr. DAVIS. Then they would receive \$86 worth of coupons for that \$60.

Senator JORDAN of North Carolina. That would be \$26 that they would give them in the way of food, more than they paid for?

Mr. DAVIS. That is correct.

The CHAIRMAN. If you will permit me, as I understand it, under the pilot program that has been going on for 3 or 4 years, the total amount that was put up by the Department has been \$53 million in contrast to \$91 million put up by the recipients for a total of \$147 million. Of the entire amount spent, the \$147 million, the recipients put up 62 percent and you put up 38 percent.

Mr. DAVIS. That is correct; yes, sir.

The CHAIRMAN. Those are in round figures.

Senator TALMADGE. How do you reach that conclusion? You determine how much food would be adequate—is that the first conclusion that you reach?

Mr. DAVIS. The first conclusion we reach is how much, in the absence of any program, a family of four, with a \$150 income would normally spend for food. This is based on studies. Our most basic study was the 1955 food purchase study made by the Department. In addition, there have been some additional analyses made in this field. And generally it is supported by statistics that a family of four with \$150 income would probably spend \$60 for food. So, therefore, in order to insure that this family continues to spend as much as it had been spending for food, we require them to pay that amount for the food stamps.

Now, the additional bonus, the \$26, is to enable that family to come as close as we feel is practical to what it would cost them to get an adequate low-cost nutritional diet.

Senator TALMADGE. Let me see if I understand you. You take what he has been spending for food?

Mr. DAVIS. Yes, sir.

Senator TALMADGE. And then you determine what he ought to spend for food?

Mr. DAVIS. Yes, sir.

Senator TALMADGE. And you let him have in coupons what he ought to spend for food, and you charge him what he has been paying for his food; is that correct?

Mr. DAVIS. That is exactly right.

Senator TALMADGE. You finally have made it clear, but it was hard to get it out. [Laughter.]

Senator TALMADGE. Let us go from there now and determine what happens after that. He gets his coupons and is then in business. He can trade those at any foodstore that has been approved by the Department of Agriculture for that transaction, I take it.

Secretary FREEMAN. Correct.

Senator TALMADGE. All right.

Senator JORDAN of North Carolina. Let me ask a question right there.

Senator TALMADGE. Certainly.

✓ Senator JORDAN of North Carolina. How do you determine which stores are eligible?

Secretary FREEMAN. The store that comes in that indicates a desire to participate in the program agrees to comply with the operating regulations and procedures.

Mr. DAVIS. Generally it is an accepted foodstore.

Secretary FREEMAN. It would be a foodstore.

Senator TALMADGE. It may be a local independent or a chainstore?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Do they have to get licenses from the Department of Agriculture in order to participate?

Secretary FREEMAN. They get an authorization. That is non-transferable. It says that they have agreed that they are going to participate in the program and comply with the requirements that are set down by the law and operating procedures.

Senator TALMADGE. And they register with the Department of Agriculture or with the welfare agency?

Secretary FREEMAN. The Department of Agriculture.

Senator TALMADGE. The Department of Agriculture?

Secretary FREEMAN. Yes, sir.

Senator TALMADGE. Suppose that this fellow gets these coupons and he decides that he has a pretty well stocked kitchen at home and does not need any food, but Friday night and Saturday night is coming up and he wants a bottle of booze—what is to stop him from going to the nearest store and taking these food stamps and buying whisky?

Secretary FREEMAN. He would be in violation of the law and the liquor store would be in violation of the law. They would both be subject to Federal prosecution and happily, we have not had many such instances, but we have had some, and we have prosecuted them.

Senator TALMADGE. Suppose that he goes to a foodstore, one of these superdeluxe modern type of foodstores to get his groceries and food and winds up at the liquor counter and takes his basket and pushes it out to the food checker and has this all mingled together and then he starts paying off part cash and part in food stamps. How are you going to identify which is which?

Secretary FREEMAN. This is a part of the enforcement problem. And one of the reasons why we feel that that the excluded items should be clearly and legally identified so that there will be not any confusion. In this case, this, again, would be a violation. We periodically check this. We send people out who are investigators, who have coupons, who go in and try exactly what you say and if they do, why, then the Secretary is authorized to revoke that store's

privilege to participate in this program, and also on a civil action to recover the amount of loss to the Government by these kind of abuses. Happily, as I have said, we have had very few of them.

Senator TALMADGE. When I was Governor of Georgia we had considerable complaints from time to time, particularly in these aid-to-dependent-children cases, that a good many welfare checks would wind up being cashed with the liquor stores. And I was wondering what methods you would have to control this. As I understand, these would be negotiable like U.S. currency and all you have to do is cash them at the nearest Federal Reserve bank?

Secretary FREEMAN. That is correct. Actually, as a practical matter this has always been, obviously, a danger that we try to follow very, very closely, but we have had less than one-half of 1 percent of these instances, and any liquor dealer who took one of these certificates and then bootlegged it to a store—a store that might have ordinary commercial relationships—if a liquor dealer brought in a food stamp to the bank, the red light would go on right away. This is, obviously, a violation.

Senator TALMADGE. What criminal penalties are in existence now for violations for someone using some of the stamps for a haircut or a shave or gasoline or liquor or whatever?

Secretary FREEMAN. Where it is more than \$100 involved, if it is provable, it is a felony and subject to \$10,000 fine and up to 5 years imprisonment. Less than \$100, it is a misdemeanor and it is subject to \$5,000 fine and up to 3 years imprisonment.

Senator TALMADGE. Does that involve both individuals, the man who uses the stamps and also the man who makes the sale?

Secretary FREEMAN. That is right.

Senator TALMADGE. I have no further questions. Thank you.

The CHAIRMAN. Senator Young.

Senator YOUNG of North Dakota. Once a family is eligible, are all families treated alike? Do they all get the same amount of stamps based on the number of them in the family?

Secretary FREEMAN. The tables would be worked out on a typical average basis for purposes of administration. The hypothetical example that we talked about a moment ago when they came in, they would have x income, and they then would be expected to spend x amount, and the difference between the x amount and the amount that they ought to spend for an adequate diet would be easily and automatically determined and the procedures would be worked out.

Senator YOUNG of North Dakota. This would follow the State standards quite closely?

Secretary FREEMAN. Yes. The tables would be based upon the State standards and practices in the individual communities.

Senator YOUNG of North Dakota. I think that you would have to do that, because in the northern areas a family has to spend much more for food and clothing, because of the longer winters and sometimes colder winters. Who would administer this program on the Indian reservations?

Secretary FREEMAN. Would you answer that? That is a good question.

Mr. DAVIS. We are currently making available to the Indians, I believe, in Minnesota and, also, in New Mexico, these services. It has

been handled through the county welfare departments who are the agents of the State welfare departments. There is no provision for a separate administration on the Indian reservations, except as it is administered through the county welfare departments.

As I say, the food stamps are being made available to the Indians in Minnesota through the county welfare departments.

Secretary FREEMAN. The only Indian reservations per se like you would have in North Dakota, as to those, how would we administer the program? That is a very good question. I have not thought about it. That is really the Senator's question.

Mr. DAVIS. The procedure, as written, would require the county welfare department to assume that responsibility. They could work out an arrangement with the reservation people to work out a system for carrying out the program.

Secretary FREEMAN. In other words, we adjust that with the State in relation to how they are administering their welfare program with the Indians in a given area.

Senator YOUNG of North Dakota. This would be important. I do not know whether the welfare department would always have jurisdiction on the reservation. Sometimes the tribal council has that jurisdiction. I wish that you would give us more information on this, and send it to the committee for the record.

The CHAIRMAN. Is it not a fact that all States that have these reservations provide help for the Indians in the same degree as is provided for inhabitants of the State?

Secretary FREEMAN. Let me answer that. I think that as a former Governor myself, that the Senator is right. There are certain cases with the reservations where they are administered by the people, the Indians themselves. And their relationship is with the Indian Bureau with the Department of Interior. They get into State welfare programs when they get off the reservations, but on the reservations they are operated under Federal programs. I think that we had better take a look at this, because we have not had a pilot program on an Indian reservation.

Senator YOUNG of North Dakota. What is the scope of the present program? How many counties are involved?

Secretary FREEMAN. How many counties are there?

Mr. DAVIS. There are 40 counties and 3 large cities, in 22 States.

Senator YOUNG of North Dakota. What is the cost per individual?

Mr. DAVIS. We have based our cost estimates on about \$90 a year. This is exclusive of the Federal administrative costs, but it includes the cost of the coupons that are issued to the family free and the cost of printing them and several other program costs, but about \$90. It is running a little less than \$90 a person per year at this time. Our current participation is about 370,000 to 372,000 persons, I believe.

Senator JORDAN of North Carolina. Is that 372,000?

Mr. DAVIS. Yes, 372,000.

Senator YOUNG of North Dakota. Maybe you have already answered this question. Can you purchase any kind of food with these stamps?

Secretary FREEMAN. Under the pilot program you cannot purchase imported foods so labeled. You cannot purchase anything in the way of alcoholic beverages or tobacco. Otherwise, all foods are in the purchase program.

The CHAIRMAN. Frozen foods?

Secretary FREEMAN. Frozen foods, yes.

Senator JORDAN of North Carolina. Any kind of foods?

Secretary FREEMAN. Any kind of foods.

Senator YOUNG of North Dakota. On a little different subject, I understand you are going to make beef eligible, under the Public Law 480 program. Have you already done that?

Secretary FREEMAN. Yes.

Senator YOUNG of North Dakota. How will beef be handled under Public Law 480?

Secretary FREEMAN. We have now pretty well finished, I think, an agreement with Uruguay or Paraguay—I get mixed up on them—for a shipment under Public Law 480, title IV, of 4,000 tons of frozen beef. We have been considering a sale to Israel as well. And a number of other places. And this is now in the mill with the usual requirements of usual marketings and working up the details.

The CHAIRMAN. I am sure that it must be Paraguay because Uruguay produces more than they need.

Secretary FREEMAN. That is correct. You are more widely traveled than I am, sir.

The CHAIRMAN. What is it that you were saying about Israel—you have a program for what for them?

Secretary FREEMAN. We are negotiating with a possible sale to Israel, under title IV.

The CHAIRMAN. Under title IV?

Secretary FREEMAN. Under title IV.

The CHAIRMAN. Thank you.

Senator YOUNG of North Dakota. Do you now have a program under which you are using section 32 funds to help ease the beef price situation?

Secretary FREEMAN. Yes, we have bought in excess of 120 million pounds of beef so far. That beef has been going to schools, institutions, and that is in turn being distributed to the family feeding program.

Senator YOUNG of North Dakota. Is all of the meat that you purchase with section 32 funds distributed in the United States or does part of it go abroad?

Secretary FREEMAN. All in the United States.

Senator YOUNG of North Dakota. It is all distributed in the United States?

Secretary FREEMAN. Yes, sir.

Senator YOUNG of North Dakota. I do not recall exactly how this was handled when we were faced with this problem in 1955. I believe that we bought 860,000 head of cattle. Was this handled under section 32 funds or what?

Secretary FREEMAN. I was not here then. I will defer to Mr. Davis on that.

Mr. DAVIS. I am a little out of my field, sir, but we did have a substantial frozen carcass purchase program for export, I believe largely to Greece for the Greek Army. So a fair proportion of the total figure that you have just mentioned went that route. We did, however, distribute domestically a very, very substantial quantity through these same outlets that we are using now, and we used section 32 funds for

those purposes. But we used other funds so far as the donations overseas.

Senator YOUNG of North Dakota. Thank you. That is all.

The CHAIRMAN. Are there any further questions?

Senator JORDAN of North Carolina. May I ask this question, Mr. Secretary?

A family is now receiving relief of any kind through your relief agencies. Are they entitled to this on top of what they are now getting?

Secretary FREEMAN. Yes. The amount of money that they are getting on relief now for food would go for payments for the stamps, and, in addition to that amount, whatever it might be, they would get additional stamps up to the level, again, of an adequate nutritional low-cost diet.

Senator JORDAN of North Carolina. Well, is there not food being distributed now through the relief programs and will this come on top of that?

Secretary FREEMAN. No, no. It would not be in that fashion—it would be in one or the other. Where we have a food stamp program there is no direct distribution program.

The CHAIRMAN. In other words, let us take a family, a household that is receiving \$125 a month. Assume that they purchase food with \$50 of that. If you follow the same percentage that I have indicated a while ago, making the 38 percent of the amount that they themselves purchase, it would mean that the \$50 which would usually be used for food, would be used to purchase stamps. In addition, they would get \$19 more, so that for the \$50 cash that they would pay to the State agency, they would get \$69 of stamps?

Secretary FREEMAN. That is correct.

The CHAIRMAN. Are there any further questions?

Senator JORDAN of North Carolina. And as to the gentleman who was visited in one area of my State, it did not turn out to be as poverty stricken as they had pictured it to be. That gentleman said that he did not have the \$60 to buy the stamps with.

Secretary FREEMAN. This is an administrative problem that varies from State to State. The point that he made was that he did not have the \$60 that he would be required to have in order to get the additional stamps. And in cases of this kind when I dug into them, he was getting \$20 a week advance from the man whose land he was farming. In most cases that advance is made so that he can participate in the program. And I think that when we dug into it, it was true in this instance as well. Normally, these determinations, when this distribution is made, either 2 weeks or every month for administrative reasons, we are conscious of the fact that the lump-sum payment does create a hardship in some cases. And we try to make allowances for that working with the local people. If you did it every day it would be unduly burdensome administratively. If you did it by the week, it may or may not be. Every 2 weeks might be all right. It depends upon the administrative procedures in the given area.

Senator JORDAN of North Carolina. He does not get them on credit.

Secretary FREEMAN. No, sir.

The CHAIRMAN. Senator Mechem.

Senator MECHEM. How much are the States contributing?

Secretary FREEMAN. The State's contribution to the program is the administration. They pay for most of the administration for the program. In the direct distribution program they pay the cost of the handling, the storing, and the like.

Senator MECHEM. If you wanted to recover from the States there would be no way to recover from the States, would there, if they refused to pay?

Secretary FREEMAN. I would have to check that, but I think that if the law read that in the event of abuses being established that the State would be charged accordingly I would expect that it could be done.

Senator MECHEM. They would have to make an appropriation for that.

Secretary FREEMAN. Yes.

Senator MECHEM. So that if they chose not to pay—

Secretary FREEMAN. I suppose that if the legislature did not appropriate the money, I think the only thing that we could do would be to get a judgment on State property, go through legal procedures, and I will quit right there. [Laughter.]

The CHAIRMAN. Any further questions?

Mr. Walters.

Senator WALTERS. As to the different States, do you distribute the money?

Secretary FREEMAN. Actually, you would not distribute any money to the States except that we would share in some of the administrative costs. Not as much as in the other welfare programs. The money, actually, is paid in the redemption of the stamps that go into the normal commercial channels.

Senator WALTERS. How are the stamps allocated?

Secretary FREEMAN. They would be allocated to the States based upon the people who qualify under the program and that the States certify as being entitled under the procedures that are followed. And then there would be no cash transactions with the States at all. It would be making the stamps available to the States to distribute to the recipients and then a minor amount of administrative cost sharing.

Senator WALTERS. Thank you.

The CHAIRMAN. Senator McGovern.

Senator MCGOVERN. Do I understand that the Department made a study of the Detroit program to determine how much increase in consumption resulted in different categories of food?

Secretary FREEMAN. Yes.

Senator MCGOVERN. Do you have any breakdown on what the increase in beef consumption was per capita among the people who participated in the Detroit program?

Secretary FREEMAN. In red meat, in the study in Detroit, there was an increase of 1 pound per person per week.

Senator MCGOVERN. Would it be feasible to supply that study for the record?

Secretary FREEMAN. Yes, sir; we have it right here.

Senator MCGOVERN. That is, the Detroit record. It might be helpful to have that in the record, Mr. Chairman.

The CHAIRMAN. That will be made part of the record. We can take excerpts from it unless it is very short.

Mr. DAVIS. That would be an excerpt.

Secretary FREEMAN. Mr. Chairman, I have here the studies—I am sure that you and your staff are familiar with them—we will be pleased to cooperate with the staff in taking out any excerpts from it that would be pertinent.

The CHAIRMAN. Without objection that will be done. I do not want to overload the record.

Senator McGOVERN. I did not know how long the study was.

(Summaries of the reports referred to above and supplemental statements submitted by the Department of Agriculture are as follows:)

REPORT NO. 1. THE FOOD STAMP PROGRAM, AN INITIAL EVALUATION OF THE PILOT PROJECTS, APRIL 1962

SUMMARY

A. Background

1. In his economic message of February 2, 1961, the President requested the Department of Agriculture to inaugurate a series of pilot food stamp projects to test the effectiveness of such an approach in providing additional nutrition to those now in need and in paving the way for substantial improvements in efforts to make more effective use of our productive capacity.

2. Pilot food stamp projects were inaugurated in eight economically depressed areas of the country—the first on May 29, 1961—and plans were developed to evaluate the results after 6 months' operating experience had been obtained. These eight pilot areas are Franklin County, Ill.; Floyd County, Ky.; Detroit, Mich.; the Virginia-Hibbing-Nashwauk area of Minnesota; Silver Bow County, Mont.; San Miguel County, N. Mex.; Fayette County, Pa.; and McDowell County, W. Va. Prior to the inauguration of the food stamp program, eligible needy persons in these areas could obtain foods available through the Department's donation of commodities under its direct distribution program.

3. Under the food stamp program, certified needy families exchange the amount of money they normally could be expected to spend for food for food coupons of a higher monetary value. The difference between the amount the families pay and the value of the coupons they receive represents the Federal contribution in bonus coupons. Participating families use the food coupons to purchase food out of regular commercial supplies at retail foodstores approved to accept such coupons. Any food, except a few imported items, may be purchased with coupons. Retailers redeem the coupons through the facilities of the commercial banking system.

4. Plans were developed to evaluate pilot projects by the end of the calendar year 1961 and included a series of special studies to be undertaken by the research agencies of the Department. The overall evaluation includes a review of the administrative and operating aspects of a food stamp program and studies to determine attitudes about the program and to measure its economic and dietary impacts.

The results submitted in this report, therefore, are based upon the administrative and operating experience gained in the first 6 months of operation and on the preliminary analysis of the series of special research studies undertaken after the pilot projects had been in operation from 3 to 4 months. It is recognized that a longer period of experience would bring to light additional administrative and operating problems and that a further analysis of the available research results, together with additional studies, is needed in order to provide a more detailed evaluation of the impact of such a program on food consumption and diets and on farm prices and income.

B. The initial evaluation

1. From July through November—when all 8 pilot projects were in operation—participation in the 8 pilot projects averaged about 138,000 persons a month. The value of total coupons issued to participating families averaged almost \$2.8 million a month. Participants paid \$1.7 million a month for these coupons. The monthly cost of the bonus coupons issued to participants was slightly more than \$1 million a month.

The number of needy persons participating in the pilot programs was substantially less than the number which had been receiving federally donated foods in the eight pilot areas in May 1961. However, it was only slightly lower than the number which had been receiving these donated foods in July–November of 1960.

2. The experience gained in the eight pilot projects indicates that a food stamp program is practicable in terms of its administrative and operating aspects. Also, the level of Federal administrative costs of such a program appears to be within acceptable limits.

Compliance with regulations governing the issuance and use of food coupons has been satisfactory. Overall, the pilot operations have pointed the way to further desirable improvements in the original program procedures and requirements.

3. A special survey was undertaken in two of the eight pilot areas to determine attitudes about, and reactions to, the food stamp program. Groups interviewed were a cross section of moderate and higher income families, low-income families who were, and were not, participating in the program, food retailers, and welfare workers.

The large majority of persons interviewed in each of these groups indicated that they liked the food stamp program and felt that it should be continued.

4. A special survey of the dollar volume of retail foodstore sales was undertaken in all eight pilot areas before and after the inauguration of the pilot projects.

Following the start of the pilot projects, sales in the survey stores increased by 8 percent, after adjustment for seasonal factors. The survey also indicated that the smaller retail stores were able to attract a reasonable proportion of the food coupon business.

5. A study of household food consumption in two of the eight pilot areas showed that families participating in the food stamp program made significant increases in food purchases and in total value of food used since the inauguration of the pilot projects. In the two areas, 85 and 95 percent of the free coupons represented increased food expenditures with animal products and fruits and vegetables accounting for more than 80 percent of the gains in the value of food consumed.

6. Results of an evaluation made in two of the eight pilot areas, showed the food stamp program to be effective in improving the diets of participating families. Over one-third and almost one-half of the participating families had diets that could be considered good, compared with slightly more than one-fourth of the low-income families who were not participating in the program.

7. Experience with the pilot projects indicates that the additional food purchasing power generated by a food stamp program could provide general support to the domestic demand for food and, therefore, act to bolster farm income. An expanded program could be expected to result in an increase in the volume of food marketed through commercial channels.

8. It is concluded that an expanded food stamp program would not materially interfere with surplus disposal and inventory management activities of the Commodity Credit Corporation nor with the Department's ability to undertake necessary section 32 purchase programs for perishables.

9. Although comparisons of costs between the direct distribution program and the food stamp program are difficult to make, it appears that there would be considerable offsetting costs for the food stamp program as a result of the suspension of the commodity donation program for needy families in areas in which a food stamp program is inaugurated. Further study needs to be given to this factor of comparative cost.

10. It is important that any special food assistance program be operated in a manner that supplements present State and local welfare assistance programs. However, food-assistance programs do reach a group of needy low-income families that are not now covered by such welfare programs. If the food stamp program were to be expanded, the Department would need the continued close cooperation of the Department of Health, Education, and Welfare on matters of mutual concern; this would be essential to attain major program goals.

11. It would appear that if the food stamp program were ultimately offered to all communities in the country, many would not participate. Because of the necessary investment of time, staff, and money on the part of State and local governments, the program does not appear to be practical for those areas of the country with a relatively small proportion of needy families nor where the need

for a food assistance program is temporary or seasonal. Based on these factors and experience with the direct distribution program, it is believed that over a 5-year period the maximum expansion might reach about 4 million persons at a cost of about \$360 million.

12. In the interests of effective administration and developing needed solutions to practical operating problems, it appears advisable that the food stamp program be continued on an essentially pilot basis with a moderate expansion over the next 18 months to bring the program to a \$50 million annual level. This approach could be accommodated within existing legislative authority and funds. The basis for this is contained in the following section.

REPORT NO. 2. EFFECT OF THE PILOT FOOD STAMP PROGRAM ON RETAIL FOOD STORE SALES, APRIL 1962

SUMMARY

Dollar sales of retail stores in the pilot food stamp program were up 8 percent, after adjustment for seasonal variation, from sales reported prior to initiation of the program, according to data from a representative sample of stores in areas of Detroit, Mich., and selected counties in Illinois, Kentucky, Minnesota, Montana, New Mexico, Pennsylvania, and West Virginia. Sample stores from which sales information was obtained accounted for from 50 percent to nearly all of estimated total retail food store sales in all areas except Detroit where the test sample of stores was drawn to represent only low-income sections of the city.

Combined sales data from all test areas indicated that after the introduction of food coupons, both meat and produce sales increased in about the same proportion as total sales. Sales of products classified as groceries and all other items were 9 percent higher in September–October 1961 than in April–May 1961, before coupons were introduced. Dairy products, eggs, and in some instances frozen foods, were among the items included in this group.

An examination of sales data for the individual test areas showed that total food sales both adjusted and unadjusted for seasonal effects were higher after the introduction of food coupons, except in Detroit where unadjusted sales were almost unchanged. Meat sales and sales of groceries and all other items (adjusted) were consistently higher in all areas. On the other hand, produce sales showed a less consistent trend among test areas.

Meat sales, up 7 percent on an adjusted basis, ranged from 2 percent higher in the test area of Minnesota to almost 14 percent higher in Illinois and West Virginia. Produce sales were 6 percent lower in Illinois but about 29 percent higher in Minnesota, and averaged 8 percent higher for all areas. The increase in sales volume for grocery and other items ranged from slightly more than 5 percent in Detroit to more than 12 percent in New Mexico.

From 70 to 80 percent of the sample stores in all test areas showed an increase in sales after introduction of coupons. Sales gains were generally made in stores of all sizes. Small stores reported an average gain of 7 percent compared to 8 percent for large stores after the introduction of food coupons. Medium and very small stores showed considerably larger percentage gains.

The volume of food coupon redemptions reported by sample stores indicated that size of store was not a decisive factor in attracting food coupon business. For all test areas the value of food coupons redeemed by sample food stores averaged 6 percent of total sales and ranged from 5 percent in large stores to 12 percent in small stores.

The effect of changes in general economic conditions in each area was considered. Based primarily on observations but also on interpretation of the limited amount of information available, it appears that there may have been some improvement in economic conditions among the pilot areas. However, improvement that may have occurred is not considered sufficient to have had a decisive influence on retail food sales in the interval between the two test periods.

Observation of prices for selected items in sample stores indicated that there was moderate variation among pilot areas and stores within each area during each test period, but no significant overall change or trend between test periods. However, household food consumption surveys showed a slight to moderate decline in prices paid by participants in the food stamp program for food purchased from all sources.

The stamp program appeared to have had only a limited influence on advertising and merchandising practices of retail foodstores in the pilot areas. While some advertising and instore promotional material directed to food stamp par-

ticipants was observed, there was no general change in overall practices as a result of the program.

Supplemental data obtained from observation of purchasing activity of customers in sample stores in Fayette County, Pa., indicated that for each 100 customers observed there were slight increases for some of the selected items observed, but on an overall basis there was relatively little change between test periods in the number of customers purchasing these items. However, in the test period after introduction of food coupons slight to substantial increases were observed in the average quantities purchased by customers buying margarine, eggs, ice cream, meat, bread, flour, cake and pastry mixes, and frozen dinners. The amount spent by each customer observed in sample stores in Fayette County was also considerably higher after introduction of food coupons, averaging \$5.90 per transaction compared with \$4.16 in the test period prior to introduction of the coupons.

Other findings from these observations revealed that customers using food coupons spent considerably more per transaction than customers not using coupons. For the selected items observed the proportion buying and the average quantities taken were generally higher among food coupon customers than noncoupon customers.

Records of food coupon redemptions in sample stores indicate that customers using coupons concentrated their purchases within a short time after coupons were issued rather than spreading their purchases over the time interval between coupon issuing dates. This is believed to account to a great extent for the larger total expenditure per transaction for customers using coupons as compared to all other customers.

REPORT NO. 3. FOOD CONSUMPTION AND DIETARY LEVELS UNDER THE PILOT FOOD STAMP PROGRAM, JUNE 1962

SUMMARY

The dual objectives of the food stamp program as stated are to expand markets for agricultural products and to improve diets by increasing the ability of needy families to purchase more and better foods. Preliminary findings from surveys of food consumption by low-income families in two pilot areas in which studies were made indicate that the program has made substantial progress in attaining both objectives.

The market for food was expanded among needy families. Program participants consumed food that was greater in quantity and money value in the program period than previously. During September and October 1961, urban recipients of food coupons in Detroit consumed foods with a money value 34 percent higher than during April and May, the preprogram period. Among rural recipients in Fayette County, Pa., an increase of 9 percent was found.

This market expansion appears to be related primarily to operation of the pilot food stamp program. Retail prices of foods used by families not qualified for the pilot food stamp program declined 2 percent in Detroit and 6 percent in rural Fayette County between the periods. Also, during September-October qualified nonparticipants were consuming food of somewhat less value in both Detroit (-1 percent) and rural Fayette County (-7 percent)—changes comparable to the seasonal price variation found for nonqualifying families with slightly higher incomes.

More than 80 percent of the increased consumption (money value) by food coupon recipients in both areas was for animal products (such as meat, poultry, fish, milk, and eggs) and fruits and vegetables. In Detroit, expanded use of meats constituted more than one-third of the net increase. In rural Fayette County, however, meats accounted for a limited part of the increase in money value of foods consumed by participants.

Efficient use of the Federal subsidy in expanding the market for food was indicated by comparisons of increases in expenditures for food and the amount of free coupons made available to participants. Among the households surveyed, it appears that expanded food purchases may have accounted for the total subsidy in Detroit and more than 80 percent of the subsidy in rural Fayette County. Thus, a very high percentage of each dollar spent by the Government for food coupons in both areas accomplished the intended expansion of the commercial market for agricultural products.

The pilot food stamp programs in both Detroit and Fayette County drew participation primarily from families with incomes well below the maximum per-

mitted. Among participating families interviewed, about 9 out of 10 had incomes at least 25 percent below the maximum allowable in the program. Also, most of the participants were in the larger and younger family groups.

The food stamp program helped to improve the diets of needy families in the two pilot areas. In April-May just under 30 percent of the families who were later to participate in the program had diets fully meeting the allowance recommended by the National Research Council for eight nutrients. During the test period, nearly 50 percent of the participants in Detroit and nearly 40 percent of those in rural Fayette County had diets meeting the recommendations.

April-May diets of participants were especially short in calcium and ascorbic acid. Diets were also in need of improvement in vitamin A value and riboflavin. In September-October, diets were improved in ascorbic acid and vitamin A value, reflecting increased use of fruits and vegetables.

Calcium and riboflavin levels rose in Detroit but not in Fayette County. The improved levels in Detroit were due to increased use of meat, poultry, fish, vegetables, and grain products in the later period.

TABLE 1.—*Monthly payments for food coupons and value of free coupons received by 4-member households with various income, Fayette County, Pa., 1961*

[In dollars]

Gross monthly income (selected intervals)	Amount family pays for coupons	Value of free coupons	Total value of coupons received
55 to 64.99.....	22	40	62
105 to 114.99.....	48	32	80
155 to 174.99.....	64	26	90
215 to 245.00.....	76	20	96

REPORT NO. 4. PILOT FOOD STAMP PROGRAM. IMPACT ON RETAIL FOOD STORE SALES IN AVOYELLES PARISH, LA., MAY 1964

SUMMARY

Sales of retail food stores, adjusted for seasonal influence, rose 7 percent during a 4-week period in June-July 1963 compared with a 4-week period in January-February of the same year. The increase in sales was attributed to the introduction of the food stamp program in the area. Sales, unadjusted for seasonal influence, rose about 14 percent during the 4 weeks.

Dollar volume of food coupons redeemed in sample stores during the program period totaled nearly \$45,000, or 9 percent of sales volume.

Of the three major food groups handled by retailers, meat sales rose most—increasing 25 percent. Grocery sales rose 12 percent. Produce sales dropped nearly 10 percent, mostly because fresh produce was available from sources other than retail food stores. Sales by individual food groups were not adjusted for seasonality.

Data furnished by four general-line grocery wholesalers showed that during the first 6 months of the program, March-August 1963, sales were 7 percent higher than the average for this period during the 3 years, 1960-62, when the program was not in operation. Specialty wholesalers revealed that their sales of meat, bakery, and dairy products also benefited from the stamp program. These findings coincide with those found at the retail level and confirm the views of food wholesalers that the program stimulated business.

Participation in the food stamp program was seasonal. The number participating was highest in April and lowest during September, and varied inversely with the level of employment. In Avoyelles, employment was highest during the summer and early fall.

For the first 7 months of the program's operation, monthly participation averaged nearly 7,000 persons, or 18 percent of Avoyelles' total population. On the average, participants received nearly \$82,000 worth of coupons each month. Of this amount, about \$48,000 was given free; this was the Federal Government's contribution to the program.

Dollar value of free coupons issued monthly to participants approximated the value of foods distributed in Avoyelles each month under the commodity donation program which operated for 11 months in the area. The food stamp program replaced the commodity donation program.

Retail stores in all size categories felt the impact of the stamp program through the increased purchasing power it generated. Although sales gains and volume of food coupons redeemed by sample stores varied considerably, neither factor appeared to be closely related nor significantly influenced by size of store.

Food coupons increased total food sales in Avoyelles. In general, stores that had the largest portion of total sales accounted for by food coupons also had the largest percentage increase in total sales.

Surveys conducted previously in other areas where the food stamp program was introduced showed that some retailers made special effort through advertising and in-store promotion to attract the patronage of coupon-holding customers. However, there was no evidence of such an appeal in Avoyelles Parish, and participants continued to shop in the same store or stores as they did before the program began. As a result, stores which had a significant portion of regular customers eligible for the program retained them.

Informal opinions of trade representatives and persons connected with the administration of the food stamp program were that the program was successful in Avoyelles. Both retailers and participants were favorably impressed with it. Most retailers felt that the program benefited their business.

Overall findings regarding the impact of the stamp program on retail food store sales in Avoyelles Parish generally confirmed the positive effect on sales found in other areas where the program has been evaluated.

TABLE 1.—Number of persons participating in food and stamp program, value of coupons issued, and proportion of coupons issued free, Avoyelles Parish, La., March–September 1963

Month	Participants		Amount recipients paid for coupons	Value of free coupons	Total value of coupons issued	Value of free coupons as percentage of total value
	Persons	Percentage of all residents ¹				
	<i>Number</i>	<i>Percent</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Percent</i>
March.....	6,894	18.1	28,200	49,805	78,005	63.8
April.....	8,002	21.1	33,573	57,213	90,786	63.0
May.....	7,637	20.1	34,553	54,167	88,720	61.1
June.....	6,706	17.6	34,822	45,298	80,120	56.5
July.....	6,608	17.4	35,137	44,253	79,390	55.7
August.....	6,563	17.3	35,621	43,612	79,233	55.0
September.....	6,230	16.4	35,619	40,536	76,155	53.2
Total.....			237,524	334,887	572,411	
Average.....	6,949	18.3	33,932	47,841	81,773	58.5

¹ Represents the proportion of all residents participating, based on 38,000 as the total.

TABLE 2.—Value of sales of selected food groups in 73 sample stores, 4-week test periods before and after food coupons were issued, and percentage change between periods, Avoyelles Parish, La., 1963

Food group	January–February before coupons were introduced	June–July with coupons in use	Percentage change
Meat.....	\$97,495.83	\$121,864.65	25.0
Produce.....	23,887.30	21,547.73	–9.8
Groceries ¹	312,633.35	349,250.73	11.7
Total.....	434,016.48	492,663.11	13.5

¹ In most instances groceries include dairy products, eggs, and in some stores, frozen foods.

SUPPLEMENTAL STATEMENT SUBMITTED BY THE DEPARTMENT OF AGRICULTURE

THE IMPACT OF THE FOOD STAMP PROGRAM ON FOOD PURCHASES AND CONSUMPTION

The following table shows that the food stamp program has brought about an overall increase of 24 percent in the use of grains directly and indirectly among participating families above their preprogram level of consumption when the direct distribution program was in operation. This conclusion is based on a special analysis of changes in household food consumption made in Detroit, Mich., as part of the initial evaluation of the pilot food stamp program. Participation in the Detroit pilot program represented over half of the total participation in the original eight pilot areas.

On a per capita basis, participating families increased their direct consumption of grains or grain products from 4.8 to 5.2 pounds per week. In addition, the indirect use of grains through the consumption of animal products increased from 39.1 to 48.4 pounds per person per week. This substantial increase in consumption of animal products resulted when families used their additional purchasing power to purchase more of these products.

*Grain consumption under the commodity donation and food stamp programs,
Detroit, Mich.*

Food categories	Pounds of grain consumed per person in 1 week	
	Under com- modity donations (April-May)	Under food stamp program (September- October)
Foods consumed as grains or grain products:		
Wheat:		
Flour and cereal products.....	2.1	2.2
Commercial bakery products.....	1.4	1.8
Total.....	3.5	4.0
Corn and products (total).....	1.0	1.0
Rice (total).....	.3	.2
Total, grains and products.....	4.8	5.2
Grain feeds required for animal products consumed:		
Meats and products.....	24.0	32.2
Poultry and eggs.....	7.9	9.0
Dairy products.....	7.2	7.2
Total, grain feeds.....	39.1	48.4
Total, food and feed grains.....	43.9	53.6

IMPACT OF PROGRAM ON CONSUMPTION OF MAJOR FOODS, DETROIT, MICH.

Approximately 80 percent of the increased food purchasing power provided under the stamp program was directed toward increased consumption of animal products and fruits and vegetables. Other foods, as indicated in the following table, such as fats and oils and sugar experienced smaller increases.

Quantities of specified foods consumed in a week per member of participating families, before and after initiation of Federal food stamp program, Detroit, Mich., 1961¹

	Under commodity program (April-May)	Under food stamp program (September- October)	Difference
	Pounds	Pounds	Percent
Meat.....	2.753	3.782	37.4
Poultry.....	1.014	1.348	32.9
Fish.....	.364	.471	29.4
Milk, cream, ice cream, and cheese ²	7.372	7.438	.9
Shell eggs.....	.470	.550	17.0
Fats and oils.....	.863	1.027	19.0
Flour and other cereal products including bakery items.....	4.083	5.336	30.7
Sugars, sweets.....	1.143	1.230	7.6
Fresh vegetables.....	1.806	4.062	124.9
Potatoes, sweetpotatoes.....	1.875	1.973	5.2
Fresh fruits.....	1.564	2.618	67.4
Commercially frozen fruits and vegetables.....	.049	.096	95.9
Commercially canned fruits and vegetables.....	.824	1.085	31.7
Fruit and vegetable juices, fresh, frozen, canned, powdered.....	.307	.539	75.6
Dried fruits and vegetables.....	.354	.337	-4.8

¹ Before adjustment for seasonal changes in price and foods consumed. Includes home-produced, gift, and federally donated as well as purchased foods.

² Fluid milk equivalent.

THE IMPACT OF THE FOOD STAMP PROGRAM ON FARM INCOME

This statement presents the preliminary results of a special analysis being made of the impact upon farm income of the direct donation and food stamp programs in Detroit, Mich., one of the original eight pilot food stamp areas.

During April-May 1961, our research people undertook a detailed study of household food consumption among a representative sample of Detroit households which were participating in the direct donation program. This same sample of households was resurveyed in September-October 1961, to determine what changes had taken place in their food consumption as a result of the inauguration of the pilot food stamp program. Not all of the households which formerly received donated foods had elected to participate in the stamp program. However, such households were included in the second survey, so that the data are representative of the total changes in food consumption which took place when the stamp program replaced the direct donation program in Detroit.

During April-May 1961, the Federal cost of the foods donated to Detroit households averaged \$692,000 a month. During September-October 1961, the Federal cost of the free additional coupons issued to Detroit households under the stamp program averaged \$616,500 a month. Therefore, although Federal costs under the stamp program are somewhat less than under direct donation, differences in the impact of the two programs is an indicator of their relative effectiveness in increasing retail food expenditures and farm income.

The preliminary results of this analysis indicates that the stamp program is more effective. The retail and farm value of foods consumed by the Detroit households included in the survey was higher under the stamp program, even though some of the households which received donated foods did not participate in the stamp program. This, we feel, is a reflection of the fact that, under

the stamp program, greater assurance can be provided that the Federal assistance is used to supplement, rather than partially replace, the normal food expenditures of the participating households.

Secondly, there was some net shift to foods which return a higher proportion of the retail food dollar to farmers. With respect to cereal products alone, there was a shift away from flour—which was available under the donation program—to more highly processed commercial bakery products. However, that shift was more than offset by increases in the use of such items as meat, poultry, and fluid milk.

The attached table shows that, under the stamp program, the average retail value of food consumed by these Detroit households (including the former recipients of donated foods who did not participate in the stamp program), was 60 cents per person per week higher than when the donation program was in effect. The farm value of such consumption increased by 26 cents per person per week, or approximately 15 percent, after the inauguration of the stamp program. These increases do not appear to be the result of outside factors—such as seasonal changes in food supplies or prices—because similar data obtained from a sample of Detroit households with slightly higher incomes showed that the retail and farm value of the food they were consuming was essentially the same in April–May and September–October.

We recognize that the results of this single-city survey cannot necessarily be projected on a nationwide basis. Nonetheless, we do believe this analysis does tend to measure the relative economy of the two programs.

The retail and farm value of foods consumed by a sample of low-income families in Detroit, Mich., when they were participating in the direct donation program in April–May 1961, and in September–October 1961, after the food stamp program replaced direct donations; and the Federal cost of the 2 programs

Program	Federal cost per month	Food consumption per person per week	
		Retail value	Farm value
Direct donations: April–May 1961.....	\$692,000	\$4.91	\$1.75
Food stamp: September–October 1961 ¹	616,500	5.51	2.01
Net change.....	–76,500	+.60	+.26

¹ Data for September–October covers the low-income households surveyed in April–May, including those which received donated foods in April–May but did not elect to participate in the food stamp program in September–October.

The CHAIRMAN. Are there any further questions?

Mr. Secretary, as I understand it, the first year you are proposing an expenditure of \$75 million.

Secretary FREEMAN. Yes.

The CHAIRMAN. And the next year \$100 million.

Secretary FREEMAN. Yes.

The CHAIRMAN. And the third year \$200 million?

Secretary FREEMAN. Yes.

The CHAIRMAN. And thereafter all that the traffic will bear?

Secretary FREEMAN. Yes, sir.

The CHAIRMAN. Do you not think that there should be a limitation and if not a limitation should there not be something in this bill that it will run a certain number of years and then let us review it?

Secretary FREEMAN. As it now is by the authorization for the program it runs just for 3 years, as the chairman has stated, and it would come again then before this committee, in the event that the bill passed as submitted, for an evaluation and review at that time.

The CHAIRMAN. In other words, you consider the bill as passed by the House a 3-year bill?

Secretary FREEMAN. In effect, yes. The authorization of the program as such would be a permanent program but it would have no authorized money after a period of 3 years.

The CHAIRMAN. To go back to a question asked, I think, by Senator Walters, about the distribution among the States, would it be feasible get a fair estimate from each State as to the number of people that would be eligible and the amount necessary to take care of these people and on that basis distribute the amount of authorization that is provided for the next 3 years?

Secretary FREEMAN. We could get these estimates, in effect, in administering the program. This is exactly what we would do. We would expand the program only as rapidly as the funds were available to administer it. We have made an estimate of what we think the program will eventually encompass, and the figure with a maximum nationwide application, our best estimate based on our 3 years operating experience, projecting economic conditions and population and the rest, is a participation in the neighborhood of about 4 million needy people with a net cost nearly of \$360 million.

The CHAIRMAN. That is the maximum?

Secretary FREEMAN. That is the maximum.

The CHAIRMAN. Well, now, since this bill more or less limits expenditures for the first, second, and third years, would there be any objection to allocating these funds on a State-by-State basis, so that each State would receive its proportionate share of that amount?

Secretary FREEMAN. Only this, Senator, and Mr. Davis, you can add to this if I am not responsive to his question or overlook anything—some States in some areas have responded and have wanted to be in the program and other States have not. And so we would hope that we would not be tied to an amount of money that would be apportioned statewide and then there would be some States that would want the program and other States that would want the program and would not be able to operate.

The CHAIRMAN. The point is that you could make your allocation countrywide and as to those States who do not use the money it could be reallocated for use otherwise.

Secretary FREEMAN. Yes.

The CHAIRMAN. I believe that there ought to be some kind of limitation in there so that the States would receive their fair share of the amount to be distributed.

In respect to the cost to the States, have you any idea of how much money the States would spend in administering this program?

Secretary FREEMAN. I will defer to Mr. Davis on this. I do not really know the administrative costs of the various States.

Mr. DAVIS. This varies, of course, considerably, and it is quite difficult to give you a figure on that, Senator, on the basis of our pilot operation. We do know that, for example, in some of the counties in Kentucky, it has run about \$30,000 a year.

The CHAIRMAN. Per county?

Mr. DAVIS. The State cost for a county.

The CHAIRMAN. That is simply to handle the distribution expense, the supervision?

Mr. DAVIS. The cost of carefully certifying these families and then recertifying them periodically to insure that the situation remains the same and if they get work that they are no longer eligible, plus the cost of receiving the shipments of stamps and safeguarding them, and then the actual job of selling them to the recipients.

The CHAIRMAN. Well, after the States distribute the stamps, to the individuals entitled to them, is there anything else that the State must do in respect to those stamps? The stamps are cashed by the storekeeper at the local bank as is provided for in this bill, and the State has nothing more to do with them after that.

Mr. DAVIS. Once the State sells the stamps to the recipients they have no further expense. The Department of Agriculture assumes the responsibility for working with the grocers and any costs that are involved in supervising them.

The CHAIRMAN. You said that in some areas they were not willing to accept this burden. Can you tell us why—what was the reason that was given?

Mr. DAVIS. Of course in our pilot operation we had to pick and choose in order to get an adequate sample of various conditions in order to get a good test of the program, but our experience, for example, under the previous stamp program at its peak when there was plenty of money made available for the program was that there were only 1,700 counties out of the total United States that applied and wanted the program. The reason for the rest not wanting the program are many, but essentially those counties where there were few numbers of needy people, the degree of need was low and they did not feel that they had enough need for such a program to go the necessary expense and bother to put it in.

The CHAIRMAN. You mean there are so few people in need?

Mr. DAVIS. Yes, sir.

The CHAIRMAN. What States are those—are there many?

Senator JORDAN of North Carolina. There are plenty of places that really do not want this. I know of some right in North Carolina right now that do not want it. They have already told me that they do not want it.

Mr. DAVIS. There are varying attitudes toward food needs. There are many factors that I think enter into it. Essentially it would be that they did not feel that they had enough need in their county to warrant the program.

Senator JORDAN of North Carolina. That is exactly it. If it costs \$30,000 a year for a county, they can take care of what small needs they have for less than that amount of money.

Senator WALTERS. You say that in some of these counties it would cost the county \$30,000 or it did cost the county \$30,000 per year. How many families were involved?

Mr. DAVIS. I think that the current participation is 5,000 or 6,000 persons.

Senator WALTERS. 6,000 people?

Mr. DAVIS. Yes.

The CHAIRMAN. That would be \$55 per person, that is, per year, to administer it.

Senator JOHNSTON. What about a county with only 6,000 people in it? What about those?

Mr. DAVIS. The administrative costs would vary with the size of the program. Actually, as in any other operation you have certain economies in a large program, you do not have that in a small program. I do not think it would cost proportionately as much in Detroit to administer the program there for 60,000 as it would cost in a smaller community, but even so, if you had a county of 6,000, maybe 1,000 persons were eligible for this program and their cost would not be \$30,000.

The CHAIRMAN. Well, I presume that most of the States have welfare programs and that is where eligibility would probably be the most and I presume that those having the relief programs would handle this.

Secretary FREEMAN. They do.

The CHAIRMAN. And do it more efficiently?

Secretary FREEMAN. Yes.

The CHAIRMAN. Aside from the amount of money that we would have to put up to redeem the stamps when issued, how much would the administrative costs be for this project?

Mr. DAVIS. We figure that in the early years of the program, while there is still organizational cost, and perhaps more costs than there would be after the program had run for a period of years, that we could accomplish this with about 3 percent.

The CHAIRMAN. Three percent?

Mr. DAVIS. Of the total amount of money.

The CHAIRMAN. In other words, if you reached the maximum that the Secretary just stated, 3 percent of \$300-some-odd-million-plus would be around \$9 million?

Mr. DAVIS. Yes, sir. By that time, however, we figure that we could very likely effect operating economies that would bring it under 3 percent.

The CHAIRMAN. I hope that a program like this would not go on ad infinitum, that we might be able to reach a point where we would be able to do away with this.

Mr. DAVIS. Yes.

The CHAIRMAN. However, judging from past history of these programs, once you start them there is no end to them. You probably intensify them instead.

Secretary FREEMAN. This is certainly the tendency but our experience so far shows, Senator, that the number of participants in the program drops sharply with decreased unemployment. And that if we can reach the goals of the great society that the President is talking about of full employment that we would not need to have the food stamp program.

The CHAIRMAN. You will not live long enough to have that happen.

Senator JOHNSTON. I know that in my State those that need it most are in the small agricultural counties. They do not have any industries to take up the slack. They are leaving the farms there and either going to the small towns or to the cities. We have several counties under 20,000 population. Most of those will not go under this program because they will get it through relief. In other words,

they are too small to pay the cost of the overhead of running it. That means, then, that the larger counties will go under the program and they will benefit and the small counties that need it the most will not get it.

The CHAIRMAN. I imagine that if this is statewide and the State participates in it, and the State matches it will assume a large amount of that cost.

Secretary FREEMAN. Yes, that is true. This is really how they administer it. If they have a relief program in a local area they will be able to apply this program for a minimal additional cost.

Senator JOHNSTON. Is there a way for you to set it up in districts instead of counties?

Secretary FREEMAN. That would be a good subject for discussion.

Senator JOHNSTON. That might relieve that situation.

Secretary FREEMAN. It might, I think so.

The CHAIRMAN. You would give a lot of discretion to the State in its management of it?

Secretary FREEMAN. We do.

The CHAIRMAN. Going back to the bill, in areas, let us say, where a person or a household gets \$75 a month—you have them in that area?

Secretary FREEMAN. Yes.

The CHAIRMAN. And in other areas where they get or the minimum may be \$125 a month with the same sized household, would you recommend that in the areas where the receipts are less than other areas that those who receive less money get a greater percentage of stamps than those who receive more money?

Mr. DAVIS. This is currently being done; yes, sir.

In other words, instead of getting 38 percent they might get 42 percent or 50 percent.

The CHAIRMAN. How would you accomplish that, through regulation?

Mr. DAVIS. Through the development of these tables here that we worked out on the basis of the studies in working with the local people.

The CHAIRMAN. I wonder if it would be advisable for us to incorporate in this act guidelines to carry out the things we are talking about right now, instead of leaving it to someone else to make the determination; that is, you and the States.

Mr. DAVIS. We have guidelines in the bill in general terms from the standpoint of two factors, one, that the individual will be required to pay about what he normally spends for food; and, two, that he will receive back sufficient coupons to help him achieve a more nearly adequate diet.

Now, if we tried to do that by more specific language we would run into the same problem again of the differences in communities and situations that would require almost putting in the bill 100 pages of tables.

The CHAIRMAN. I do not mean it that way. I mean minimums and maximums. In other words, I personally do not believe that this program should be for the purchasing power of people who in the past have been able, let us say, to make a go of it with \$125 or \$150 a month. In other words, I do not want to invite people to get into this program just to get more than they normally have used in the past and on which

they were able to take care of themselves. My fear is that if we leave this wide open your estimate of \$360 million will be just a drop in the bucket, that is, if you just leave this thing wide open.

Secretary FREEMAN. I think the question is proper as it is directed to section 5 and the language may well be subject to improvement, that is, "shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet." That may be limited more sharply.

The CHAIRMAN. You have a lot of these dietitians, both men and women, who prescribe a diet that so many families have never dreamed that they could attain.

I can remember in my own community during my own growing up, what I lived on. It was nothing like what I live on now. I kept healthy, however. I did very well.

What I am trying to suggest is that we ought to put something in this bill to prevent an expansion of it beyond the terms that I am talking about. In other words, make it so that they will have an abundance of food, much more than is really necessary to give them.

Secretary FREEMAN. Adequate diets, I know. You want them to be sure to have an adequate diet.

The CHAIRMAN. I do, but an adequate diet in my parish where I come from may be different from an adequate diet that you prescribe in a county in South Carolina. In South Carolina they eat black-eyed peas and ham hocks and that is it. [Laughter.]

The CHAIRMAN. The diet that you may prescribe may contain a lot of other foods that may not be necessary.

Secretary FREEMAN. The Senator wants to respond to this.

Senator JOHNSTON. He visited me some time back and I fed him black-eyed peas.

Secretary FREEMAN. And ham hocks, too?

The CHAIRMAN. And ham hocks, too. Sure, you have certain diets on which people thrive. I know that I thrived on red beans and, in fact, navy beans.

Secretary FREEMAN. Is that why you are so tough?

The CHAIRMAN. Probably so. [Laughter.]

But, anyhow, I fear that some of these dietitians may prescribe some diets that are fine to read about and all of that, but it will lead to such an expense that it will not do any more good than if you proceeded and used the normal diet these people had been living on.

Secretary FREEMAN. Let me just say for the record, if I might, Senator, very well.

The CHAIRMAN. Just for a moment off the record.

(Discussion off the record.)

The CHAIRMAN. On the record.

Secretary FREEMAN. I was going to say that I think that the Senator's point is very well made. We are trying to take this into consideration now, because what might be a diet that might be considered within proper scope in one area could in another, because of a different condition, history, background, habits, be different. We made these tables up in accordance with local conditions, and I might suggest in the guideline that there might be language that would go in the bill or the legislative history or be written in the report.

The CHAIRMAN. I would rather have it in the bill if we can.

We do not want to revolutionize diets in various places. I can see where a program of this kind can be made an enormously costly one. I really believe that the program is good. What we ought to do is to write in safeguards, so that maybe you or your successor will know and not—

Secretary FREEMAN. Go hog wild.

The CHAIRMAN. In other words, I have been here now 28 years, and there are very few programs that we have conceived as this is being done now that has not been overdone. You have been in politics long enough to know that. I think that we ought to surround this with all sorts of guidelines so as to make the cost of the administration of this as low as possible and that the States ought to help, too, if they benefit by it. And I would like to keep this from being political.

Will you file those statements for the record?

Mr. DAVIS. Yes.

The CHAIRMAN. So that we have the tables.

Suppose you get together with some of your experts, with our experts and see if we cannot put something in the record concisely that would give us what this is all about and how it is expected to be administered in the future, because I do not feel that we will have too much trouble in enacting this bill, but at the same time, as chairman of this committee, I want to be certain that we present a bill that will be acceptable and one that we can enact.

Mr. DAVIS. Yes, sir.

(The information is as follows:)

The following table shows a typical coupon basis of issuance (a schedule of purchase requirements and free coupons) for a four-person household now being used under the pilot food stamp program. This table illustrates the principles that have been followed, under the pilot program, in developing a coupon basis of issuance for all-size households in all of the pilot areas. As well, it illustrates the principles that the Department believes are required under section 7 of H.R. 10222.

1. The schedule shown in this table has been developed for a State in which the budget (income) standards used in the State's own welfare program justified Department approval of a nonassistance eligibility standard which limited program eligibility to four-person households with a monthly income of \$210 or less.

2. The purchase requirements are intended to approximate the normal monthly food purchases of a four-person household with various amounts of monthly income. As the table shows, these purchase requirements increase as income increases.

The actual level of the purchase requirements shown in the table are largely derived from the Department's 1955 nationwide food consumption survey, although some data also has been available from the special research undertaken to evaluate the pilot food stamp program in 1961. The purchase requirements, of course, have been adjusted to take into account the ineligible foods that participants must continue to purchase out of their own food money.

3. The value of the free coupons provided to participating households also is based upon their income and is designed to permit the households to more nearly obtain an adequate diet. As that table shows, the lowest income households receive a larger value of the free coupons than do the higher income eligible households because they have a greater gap between what they are able to spend for food and the cost of a low-cost minimum but adequate diet.

However, as the table shows, it has not been deemed practical to attempt to provide sufficient free coupons to the lowest income households to immediately bring their total coupon purchasing power up to the full cost of that adequate diet. This principle has been followed in recognition of the fact that food habits change slowly. In addition, the Department wanted to avoid too great

a disparity between the food-buying ability of these lowest income households and the amounts of money they have to purchase nonfood items.

4. Under the pilot program, existing local nutrition and consumer agencies have cooperated in the undertaking of an education program to assist participants to increase their knowledge of the principles of good diets and how to attain them through the wise expenditure of their food coupons. These efforts would be continued under section 10 of H.R. 10222.

Pilot food stamp program, net income basis of coupon issuance

[4-person household]

Monthly net income	Monthly			Semimonthly		
	Purchase price	Free coupons	Total	Purchase price	Free coupons	Total
0 to \$19.99	\$6	\$44	\$50	\$3	\$22	\$25
\$20 to \$29.99	10	42	52	5	21	26
\$30 to \$39.99	14	42	56	7	21	28
\$40 to \$49.99	20	40	60	10	20	30
\$50 to \$59.99	24	40	64	12	20	32
\$60 to \$69.99	28	38	66	14	19	33
\$70 to \$79.99	32	38	70	16	19	35
\$80 to \$89.99	36	36	72	18	18	36
\$90 to \$99.99	40	34	74	20	17	37
\$100 to \$109.99	44	32	76	22	16	38
\$110 to \$119.99	48	30	78	24	15	39
\$120 to \$139.99	54	28	82	27	14	41
\$140 to \$159.99	60	26	86	30	13	43
\$160 to \$179.99	66	24	90	33	12	45
\$180 to \$199.99	70	22	92	35	11	46
\$200 to \$210	74	20	94	37	10	47

The CHAIRMAN. Are there any further questions of the Secretary?

If not, Mr. Secretary, we are indebted to you for this fine explanation. What I would suggest to you is that you send some of your people here tomorrow to listen in and we may want to ask them some questions.

Mr. FREEMAN. We will do that.

The CHAIRMAN. So far as you are concerned, you are excused, sir.

Let the record show that without objection statements may be filed by the American Farm Bureau Federation, the United States Chamber of Commerce, and the Eastern Milk Producers Association, Inc., as well as others.

With that we will stand adjourned now until 9 o'clock in the morning.

(Whereupon, at 11 a.m. the hearing adjourned to reconvene at 9 a.m., Friday June 19, 1964.)

(The statements referred to above are as follows:)

WASHINGTON, D.C. June 16, 1964.

Hon. ALLEN J. ELLENDER,
Chairman, Senate Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR SENATOR ELLENDER: The Farm Bureau is quite interested in the proposed legislation concerning the food stamp plan. H.R. 10222, as we understand it, would establish the food stamp program on a permanent nationwide basis.

Farm Bureau's current policy concerning Federal Government food distribution programs is as follows:

"Under the current Federal-State food distribution system, the Federal Government makes surplus foods available to the States. We believe it is sound procedure to distribute these foods through State and local governing bodies. However, we are opposed to any expansion of this Federal food distribution program.

"The Government food stamp plan, started in 1961 on a pilot basis, has been expanded to include a number of additional areas. It has not increased food consumption significantly. Instead, it has transferred a part of the total cost of food relief distribution to the Federal Government. We oppose any expansion of the food stamp plan and urge Congress to appraise the results achieved in areas where it has been in operation.

"The national school lunch and special milk programs have proved beneficial to our schoolchildren. The programs have helped to establish proper dietary habits among our young people. We recommend that they be continued and that only domestic foods be used for this purpose.

"It is important that the general public understand that the chief beneficiaries of Government food distribution programs are schoolchildren and needy people."

You will note that the first two paragraphs of this policy statement specifically outline the attitude of the Farm Bureau concerning any expansion of the food stamp plan.

With employment at an alltime high and with the economy in excellent condition, we do not think such a nationwide food stamp program should be inaugurated.

In our study of the current pilot food stamp program we do not believe that it has led to any significant increase in food consumption. Neither has the program made any significant contribution to increasing the consumption of our surplus foods.

The Farm Bureau recognizes that the Federal Government has a responsibility to distribute certain surplus foods to needy people. However, we believe the present Federal-State food distribution system is a much more sound procedure than a nationwide food stamp plan. We oppose the enactment of H.R. 10222.

We would appreciate your making this statement a part of the hearing record.

Sincerely yours,

JOHN C. LYNN,

Legislative Director, American Farm Bureau Federation.

STATEMENT FILED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

The Chamber of Commerce of the United States appreciates the opportunity to express the views of its members on H.R. 10222, the proposed "Food Stamp Act of 1964."

This bill is not agricultural legislation. Its declared policy makes clear that it is intended to be a utilization measure to promote nutrition, health, and welfare of the Nation's population. As "welfare" legislation (which the bill states it to be), its merits should be examined by the appropriate committees of the Congress responsible for consideration of welfare measures.

Even though section 16(d) of the bill makes a clear disclaimer, public misunderstanding and unfavorable judgment of farm programs are in part attributable to charging against "farm programs" a large portion of Department of Agriculture appropriations that are for services and benefits for the whole of the Nation's people, or for others than farmers. To add the "Food Stamp Act of 1964" to the total of Federal "agricultural costs," will make this situation that much the worse. H.R. 10222 is at best only incidentally an agricultural bill. It is primarily a welfare measure.

Even as a welfare measure the bill has important defects which emphasize the need for careful consideration of the bill by appropriate committees responsible for welfare legislation. These include:

DEFECTS OF H.R. 10222

1. It would not increase nutrition commensurate with its costs

It is our judgment that under this bill increased consumption of food would be slight and relatively insignificant in terms of total food consumption in the Nation. So also would be the agricultural benefits.

The food stamp plan is based on the mistaken assumption that lack of income is essentially the basic cause of inadequate nutrition. The bill says it is intended to provide eligible households with an "opportunity more nearly to obtain a nutritionally adequate diet." That opportunity already exists. Studies

show that satisfaction of nutritional requirements can be provided by an expenditure of half or less the cost of the average diet now consumed by Americans. Under this bill there is nothing to assure better nutrition. It only provides more money, in effect cheaper food, through which it is hoped that the program will tend to encourage better nutrition.

The importance of this is shown indirectly by a study made by the U.S. Department of Agriculture of the pilot food stamp program. When the food stamp program was instituted in the pilot areas and the direct distribution program was terminated, only about half of the persons who had been receiving commodities by direct distribution elected to take advantage of the stamp plan distribution.

2. The food stamp program is not made an integral part of the welfare-aid program

The nature and extent of relief needed among unemployed or low-income people varies between States and communities. States and communities have traditionally administered their own public assistance programs, with or without Federal assistance. Local and State governments should share the responsibility for those areas of social welfare where discretion is required in determining the eligibility for, and the amount of, benefits. This certainly should include assistance of the type proposed in food stamp plans. Such programs should be made an integral part of the existing four Federal grant programs of Federal-State aid.

3. "Eligibility" is not specifically defined

Eligibility for the program's benefits should be confined to those individuals eligible by Federal-State standards as recipients of the benefits of the four existing programs.

Since the bill does not define "nutritionally adequate diet," the standard would be loose and would quite probably be progressively raised. "Eligibility of recipients" is defined in the bill as households "whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet." Under this language the bias would be toward expansion of eligibility by including more and more people whose economic status is a less and less limiting factor; in other words, any limitation by economic status would become substantial.

Furthermore, this bill gives almost unlimited discretionary authority to the Secretary of Agriculture, including the approval or eligibility of both recipients and distributing participants, and even the determination of eligible "foods." About the only provision of this bill apparently not subject to the Secretary's discretion is the requirement of section 10(c) that a State agency shall not discriminate against any household by reason of race, religious creed, national origin, or political beliefs.

4. State-local financial participation is not required

State and local government participation in the subsidies (such as the 50-percent matching provided in the bill reported by the House Agriculture Committee) should be restored. It is a well-tested principle of national welfare programs that State and local governments should share the responsibilities of aid programs.

Without the requirement of State and local government financial participation constant expansion of the program can be expected because State and local governments seemingly have everything to gain and nothing to lose by expanding it. The chairman of the House Agriculture Committee, in that committee's report on this bill, cited a survey of State welfare directors which revealed that the directors "felt that food was not necessarily the only, or the most important unmet need, of welfare families. They mentioned the need, for example, for higher shelter allowances and preventive medical services. These conclusions would indicate that in presenting budget requests to State legislatures, State welfare agencies would not support State appropriations for a food program if they felt such action would jeopardize family needs."

This suggests that State legislatures could be expected to reduce appropriations for welfare by using the federally financed food stamp program as a substitute for a part of the money payments for food now provided by Federal and State funds.

If the State and local governments are not required to share with the Federal Government in the financial responsibilities, the food stamp program would become prohibitively costly.

5. The food stamp plan would become very costly

As a start, proponents of the food stamp program assumed 4 million persons as recipients at an average annual subsidy per person of \$90. Once established, this program, like all Federal programs, would tend to grow. It is not inconceivable that it would shortly have the magnitude of perhaps 8 million participants with an annual subsidy of \$150 per person. This would require an annual Federal outlay of \$1.2 billion. The U.S. Department of Agriculture in its 1957 report to the Congress on an analysis of food stamp plans, projected an annual expenditure up to \$2.5 billion, with an estimated 25,000,000 families and individuals potentially eligible.

The bill does not terminate the direct disposal of surplus commodities. It will therefore add further to Federal costs, put additional administrative burdens on the Federal Government and taxpayer, further centralize the affairs of the States and their people, and expand the powers of Federal agencies.

The national chamber, therefore, recommends that the Senate Agriculture and Forestry Committee disclaim responsibility for this kind of legislation and make no report on this bill.

STATEMENT FILED BY JOHN C. YORK, EXECUTIVE SECRETARY, EASTERN MILK PRODUCERS COOPERATIVE ASSOCIATION, SYRACUSE, N.Y.

My name is John C. York. I am executive secretary of Eastern Milk Producers Cooperative Association, on whose behalf I am submitting this statement. Our offices are located in Syracuse, N.Y. (postal zone 14).

Our association is a fluid milk bargaining cooperative, having a membership of approximately 9,000 dairy farmers. The milk supplied by our member producers is sold in the New York-New Jersey area and in other marketing areas of the Northeast. We are a qualified cooperative association under the provisions of the Capper-Volstead Act, in accordance with a determination by the Secretary of Agriculture. Of the milk produced by dairy farmers in the Northeast, roughly one-half is used for fluid consumption and one-half for manufacturing purposes.

Eastern Milk Producers Cooperative Association is opposed to the enactment of H.R. 10222 (proposed Food Stamp Act of 1964), which provides for the expansion of the pilot food stamp plan, and for making it permanent. We are similarly opposed to the continuation of the pilot program now in operation in some 43 areas.

Our opposition to the food stamp plan in any form is based on our belief that the plan fails to achieve either of the two purposes for which it was originally formulated, namely, (1) to remove surplus foods from the normal channels of trade, and (2) to improve the food situation of needy people.

SOME BACKGROUND FACTS OF PROPOSED LEGISLATION

Not long after the enactment of the Agricultural Adjustment Act of 1933, the Department of Agriculture started supporting prices of some agricultural products by making purchases in the open market. Thus, beginning with August 1933, and continuing through April 1934, the Government purchased some 68 million pounds of butter. At first there was no definite plan for disposing of the commodities acquired. In the course of time, however, it was decided to distribute them among needy people. This was the beginning of the direct distribution program. In time, both the purchase of surplus commodities on the open market and their disposition through the direct distribution program became an established feature of U.S. agricultural policy. One aspect of the distribution operation has been the participation by State and local authorities. These authorities have certified the eligible recipients of surplus foods, and have operated the distribution centers at which recipients picked up the surplus foods.

THE FOOD STAMP PLAN, 1939-43

For one reason or another, the Department of Agriculture decided in 1939 to institute a food stamp plan on a limited basis, to take the place of the direct distribution program.

Under the new program eligible applicants were required to purchase a specified number of coupons valid for the purchase of nonsurplus foods at retail food stores. They then received a specified number of bonus coupons, and these

were valid only for the purchase of surplus foods (different-colored stamps were used for surplus and nonsurplus foods). Lists of surplus foods were published periodically.

The food stamp plan, so formulated and operated, was justified on the ground that it was a more efficient way of distributing surplus foods, though the increased efficiency was paid for handsomely. For surplus foods handled under the food stamp plan the Federal Government was obliged to absorb the wholesale and retail margins. For surplus foods handled under the direct-distribution program the Government paid only market prices, and met the storage and transport costs, if any. The cost to the Federal Government for moving surplus foods into consumption channels under the stamp plan were practically twice as high as under direct distribution.

The original food stamp plan was discontinued in 1943, because of wartime conditions.

THE PILOT FOOD STAMP PLAN

The pilot food stamp plan, now in operation in 43 areas, was inaugurated in 1961. Except for one significant change, the program was modeled after the earlier operation. The change called for the use of only one type of food coupon, in place of the two used in the 1939-43 period. Food coupons were now valid for the purchase of any domestically produced food staple, irrespective of whether it were in surplus supply or short supply.

Under the pilot plan, eligible participants receive (on an average) a bonus of \$4 worth of coupons free for each \$6 worth of coupons that they buy. Each participant must buy a specified minimum amount of coupons, based on cash income and size of family.

Because of the fact that food coupons under the pilot plan are valid for all domestically produced food staples, there is no assurance that participants buy any surplus foods at all. (The Detroit survey made in 1961 during the initial days of the "pilot" operation there, is inconclusive in this regard.) With respect to butter especially, milk producers feel that very little surplus butter is being moved into consumption channels under the pilot stamp plan. To them it is ironic, if not downright unfair, that an appropriation (sec. 32 funds) first intended solely for the removal of surpluses should be so managed that the original objective becomes only a fortuitous incident of the operation.

Yet, it is this program—the pilot food stamp plan—that H.R. 10222 would expand and would make a more or less permanent part of the agricultural programs.

As for the people participating in the food stamp plan, the scheme is of greatest benefit to the most "affluent" ones, that is, those who have adequate cash to buy stamps and prefer to procure their surplus foods at the supermarket, rather than a distribution center. The poorest people—those who lack the cash to buy the food coupons—are left out in the cold altogether. They cannot participate in the stamp plan and they no longer receive surplus foods through direct distribution. It is ironic that some surveys of the success of the pilot stamp plan are based on interviews of actual participants in the program, and disregard entirely the views of those poor people who cannot share in it.

DIRECT DISTRIBUTION VERSUS FOOD STAMP PLAN

The issue posed by H.R. 10222 is not one of the merits of the stamp plan as an isolated operation, but rather one of the choice of alternatives—direct food distribution or the stamp plan.

As previously pointed out, to participate in the stamp plan needy persons must buy a prescribed number of food coupons, which are good at retail stores for any domestically produced food staple. For each \$6 worth of food coupons bought, the participant receives free about \$4 worth of additional coupons. Under direct distribution, on the other hand, recipients pick up surplus foods at locally operated distribution centers, but have no commitment to buy additional food at retail outlets.

In a letter to the Washington Star of March 3, 1964, Secretary of Agriculture Freeman stated that, under the direct-distribution program, "an eligible needy family of four, for example, may receive the following each month: 8 pounds of dry beans, 5 pounds of butter, 5 pounds of cheese, 10 pounds of cornmeal, 18 pounds of flour, 4 pounds of lard, 7.6 pounds of chopped meat, 10 pounds of nonfat dry milk, 2 pounds of peanut butter, 4 pounds of rice, 4 pounds of rolled

wheat and 2 pounds of bulgur—a processed whole wheat product long familiar in Europe but relatively new in this country.”

Since the publication of that letter, the Government has enlarged the list of commodities distributed by adding a canned meat item, dried eggs, and corn grits.

Until now, the stamp plan has been in effect in 43 areas on an experimental basis, but results of the experiment are generally lacking. Meaningful and up-to-date figures are available for only one area—Grays Harbor County in the State of Washington. There, the shift from direct distribution to the stamp plan cut participation by more than two-thirds. The main reason for this is that most needy people do not have the money with which to buy the required number of food coupons.

While the benefit to needy participants in Grays Harbor County, in terms of retail prices, is approximately the same under both plans, the cost to the Federal Government of moving an additional amount of food into consumption channels is greater under the food stamp plan, since the Government pays much more of the handling expenses, as indicated above.

The data from Grays Harbor County relative to the lower participation in the food stamp plan is confirmed in dramatic terms by Congressman Paul C. Jones, of Missouri, in a statement on the floor of the House of Representatives on April 8, 1964. Mr. Jones said:

“As I stated yesterday, in the city of St. Louis prior to the time that the pilot food stamp program was put into effect, three were more than 63,000 persons who were receiving food through the direct distribution plan. They were receiving flour, they were receiving cornmeal, they were receiving dried milk, they were receiving rice, they were receiving cheese and butter. Those were the more commonly used commodities and the ones that were in greatest surplus.

“When the food stamp program went into effect in the city of St. Louis there were only a small number of persons who participated in the food stamp program. At the end of 14 months, and by using every inducement possible to increase the use of food stamps to include a larger number of people, there were slightly more than 11,000 of these 63,000 who were being fed through the food stamp program. What happened? There were 52,000-odd people who were obtaining relief through the receipt of surplus commodities with which they could keep body and soul together and which, while it was not an ideal diet, was a substantial diet that permitted those families to live.”

CONCLUSIONS

Eastern Milk Producers Cooperative Association is of the firm belief, based on what we have said above, that it would be unwise to enact H.R. 10222. Further, we recommend that before any more consideration is given to H.R. 10222, the Department of Agriculture conduct a survey in the 43 so-called pilot areas which would answer these two questions: (1) How is participation by needy people affected by a shift from direct distribution to the food stamp plan, and (2) how is the disposition of food surpluses affected by such a shift?

Finally, should the Congress decide to enact H.R. 10222, notwithstanding what was said above, we recommend that the bill be amended so that separate food coupons would be issued for surplus foods in the same manner as was done from 1939 to 1943.

DETROIT, MICH., *June 10, 1964.*

HON. WILLIAM S. BROOMFIELD,
House Office Building, Washington, D.C.

HONORABLE SIR: As it would be extremely difficult to police the amended section of H.R. 10222, we, the Food Industry Committee, representing some 600,000 voters, go on record with the following resolution:

“Be it hereby resolved that the amended definition of section 3-b H.R. 10222, is hereby determined unenforceable from a practical viewpoint, regarding the words ‘soft drinks,’ ‘luxury foods,’ and ‘luxury frozen foods,’ as determined within this section, and hereby resolve that this is too much authority to grant one person under our present Constitution of the United States.”

The full committee agreed on the above resolution at their meet of June 4, 1964, and voted to so advise our legislators.

The pilot food stamp program (originally established in Detroit in 1939) and the subsequent pilot program established in 1961 (now operative in 43 areas) is the result of past efforts of the Food Industry Committee. As you

know, this program is now part of President Johnson's poverty program and is receiving a great deal of public support.

We respectfully request that you acknowledge this letter and give us your opinion of the above resolution.

Very respectfully yours,

J. E. STEDMAN,
Executive Secretary, Food Industry Committee.

STATEMENT FILED BY DON F. MAGDANZ, EXECUTIVE SECRETARY-TREASURER, AND B. H. JONES, ASSOCIATE SECRETARY-TREASURER, NATIONAL LIVESTOCK FEEDERS ASSOCIATION, OMAHA, NEBR.

In submitting this statement on H.R. 10222, known as "The Food Stamp Act of 1964," the National Livestock Feeders Association is not taking a position in support of, or in opposition to, the bill itself. Rather, the association wishes to emphasize to the committee the importance of confining the distribution of food under the provisions of the bill specifically to products from domestic farm production.

Surely there can be no justification for spending U.S. tax dollars on food items of foreign origin. In fact, we submit that to do so is contrary to the stated purposes and policy of the proposed legislation; whereas, confining distribution to domestic production is in harmony with these expressed purposes and policy.

Reference is made in various sections of the bill to the effect that the expressed purposes of the legislation are to utilize food abundances and to cause the distribution of same in a beneficial manner.

In the preamble of H.R. 10222, it is stated:

"* * * to help to achieve a fuller and more effective use of food abundance; * * *

In section 2 under the declaration of policy the bill reads: Page 1, line 7 and page 2, lines 1 and 2—"* * * that the Nation's abundance of food should be utilized * * * to the maximum extent practicable * * *

Page 2, lines 8 to 10—"* * * will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy * * *

Page 2, lines 13 to 15—"* * * will permit those households in economic need to receive a greater share of the Nation's food abundance * * *

In section 10(a) under administration:

Page 9, lines 3 to 9—"* * * to insure that participants use their increased food purchasing power to obtain those staple foods most needed in their diets, and particularly to encourage the continued use of those in abundant or surplus supply * * *

Please note the references made to the distribution of the "Nation's food abundance" and to the effort to "strengthen the agricultural economy."

The attention of the members of the committee is called, also, to the established policy followed in distributing food under the food stamp pilot projects with respect to the exclusion of imports.

The intent of H.R. 10222, surely, should be to distribute domestically produced food and food products. Therefore, the National Livestock Feeders Association respectfully urges the committee to insert the following wording in the definition of the term "food" given on page 2, section 3(b), lines 20-25 (italic denotes words added):

"The term 'food' means any food or food product *prepared, processed or manufactured from domestic farm production in the United States* for human consumption, except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods."

Excluding only those foods of foreign origin which are so identified on the package when they arrive at the retail store provides a serious loophole in the proposed legislation, and creates built-in discrimination in favor of foreign producers and suppliers of those products which are sold by the retail store in a nonidentified form or package. Merely because processors and suppliers of certain imported products, or products containing food of foreign origin, are now privileged to sell such products without informing the consumer of their origin, does not justify the additional prerogative of expending taxpayer money for their purchase.

If there is justification to exclude foreign products which are so identified when they reach the retail store, then there can be no justification for not excluding those which the processors or suppliers choose not to identify—except in the case of those foods which are either not produced in the United States or are produced in grossly insufficient quantities.

It has been argued that such a requirement would cause undue hardship on certain processors and/or suppliers; however, the National Livestock Feeders Association submits to the committee that it would be a simple matter for any such firm to merely identify the product produced: "prepared (processed or manufactured) from domestic production." Furthermore, such a provision would not present an operating or enforcement problem.

The National Livestock Feeders Association respectfully requests the committee to give due consideration to the change in the proposed legislation embodied in H.R. 10222 contained herein.

WASHINGTON, D.C., June 18, 1964.

SENATE AGRICULTURAL AND FORESTRY COMMITTEE,
Senate Office Building,
Washington, D.C.

DEAR SIRs: The National Council of Senior Citizens would like to submit the following for the record concerning the food stamp plan:

"The National Council of Senior Citizens is a nonprofit education and action organization composed of some 1,700 independent senior citizen clubs and groups coming from a wide variety of backgrounds and sponsorships, including churches, labor unions, community centers, and local government. Together they represent nearly 2 million members.

"In our last two conventions, we have endorsed expansion of the food stamp plan. At our last convention, May 9, 1,200 delegates from 38 States unanimously endorsed the following resolution in support of food stamp plan:

"The experimental food stamp plan has proven itself to be very successful and, as a result, a food stamp bill was introduced and passed by the House of Representatives in the current session of Congress. This bill is now blocked in the Senate by the filibuster on civil rights.

"The National Council of Senior Citizens strongly supports the administration's food stamp bill and urges the enactment by the Senate as soon as possible. Our basic objection to this type of legislation is the decentralized interpretation of need by State and local public welfare agencies. We urge Congress to establish higher standards of eligibility requirements which take into account the differences in cost of living and budgetary requirements of older people in different parts of the country. Specifically we believe that any older person or couple should be eligible for food stamps whose income is below the so-called 'modest but adequate budget' established by the Bureau of Labor Statistics in its studies."

Sincerely,

BLUE CARSTENSON,
Executive Director, National Council of Senior Citizens.

WASHINGTON, D.C., June 22, 1964.

HON. ALLEN J. ELLENDER,
U.S. Senate, Washington, D.C.

DEAR SENATOR ELLENDER: We in the National Potato Council wish to endorse the general principles of H.R. 1022, a bill that would provide for the extension of the pilot food stamp program to other areas and place it on a permanent basis.

The National Potato Council supports the general principles of the bill with the following qualifications:

1. The Congress should provide guidelines to determine the procedure under which the program would operate.
2. The Congress should provide safeguards so that the program would not be abused by using the stamps for other than the specified purposes.
3. The program should not be in perpetuity but should be renewed from time to time by the Congress of the United States for a period of 1 or more years.

4. The funds for the program should be appropriated by the Congress on an annual basis.

With these reservations we approve of the objectives of H.R. 1022.

Sincerely,

A. E. MERCKER,
Executive Director, National Potato Council.

NEW YORK, N.Y., June 17, 1964.

HON. ALLEN J. ELLENDER,
*Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.:*

The following statement is submitted for the record for hearings on H.R. 10222, June 18, 1964:

"The National Sharecroppers' Fund, an organization which has been working to improve the living and working conditions of sharecroppers, tenants, small farmers, and farmworkers for over a quarter of a century, supports the adoption of H.R. 10222 as a key part of President Johnson's war on poverty.

"The food stamp program which has been in operation in a number of pilot areas has already demonstrated that it has been able to raise the food consumption of low-income people by 8 percent, at no additional cost to the Federal Government. The reports from these pilot areas also indicate that the food stamp program is much preferred by both recipients and businesses over the direct distribution of surplus food.

The National Sharecroppers' Fund urges adoption of the Food Stamp Act as an effective method of helping farmers sell more farm products, and making it possible for low-income families to obtain a more adequate diet. It assists the farmer through an increased demand for his products, poor families by increasing their food purchasing power, and business by putting more money in circulation."

FAY BENNETT,
Executive Secretary, National Sharecroppers' Fund.

STATEMENT FILED BY THE ILLINOIS STATE CHAMBER OF COMMERCE

The Illinois State Chamber of Commerce is a statewide organization with a membership of more than 19,500 businessmen representing companies located in 461 towns and cities in every part of the State of Illinois. These members are engaged in virtually every type of business, ranging from some of the Nation's largest corporations to many smaller corporations and the self-employed.

This statement is based upon recommendations prepared in the first instance by the Illinois State chamber's public assistance and welfare committee of 75 members who have given serious study to the issues under consideration, and are representative of the chamber's membership. Reflected herein is the considered judgment of our committee, supported by the State chamber's 70-man board of directors. Viewpoints expressed herein broadly represent those of Illinois businessmen concerning H.R. 10222, the Food Stamp Act of 1964.

SCOPE OF STATEMENT

We are confident that the members of this committee are well informed as to the merits and general effect of this act. We wish to limit our comments to a specific aspect of this bill; i.e., the provision in section 7(c) to the effect that the value of the coupon allotment which is in excess of the amount charged shall not be considered income or resources to a family under public assistance programs, and the provision under section 10(d) that participating States or political subdivisions shall not decrease welfare grants as a consequence of a person's participation in the benefits made available by the act.

ILLINOIS EXPERIENCE

In Illinois, standards for assistance to individuals or families receiving public assistance or welfare grants under the various categorical programs are established on a statewide basis. At the present time, 36 counties in Illinois receive

direct distribution of surplus commodities and Vinton County is participating in a pilot program as a part of the food stamp program. In effect, persons receiving commodities or food stamps in these 37 counties receive additional assistance not available to persons in the other 65 counties in the State of Illinois. If the Food Stamp Act of 1964 were put into effect in a portion of Illinois, this inequity would be perpetuated.

In Illinois, the State agency charged with administration of public assistance is engaged in a most comprehensive and successful program of education and rehabilitation which involves not only specific vocational training but basic education and training, including the management of funds, so that public aid recipients are not only helped to become self-sustaining but are also aided in utilizing assistance funds to the maximum benefit of themselves and of their families.

The cost of public assistance is a major part of the budget of the State of Illinois and if funds were not needed to provide food they could be effectively utilized in providing services which would not otherwise be available to equip public aid recipients for self-support.

RECOMMENDATION

The Illinois State Chamber of Commerce thus recommends that sections 7(c) and 10(d) be modified so that in determining cash grants to public assistance recipients, State and local governmental units would be allowed to take into account the benefits received by persons participating in the provisions of H.R. 10222.

We would be most pleased to provide any additional information that the committee desires or to answer any questions resulting from this statement.

WASHINGTON, D.C., June 23, 1964.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In connection with hearings by your committee on H.R. 10222, the Food Stamp Act of 1964, I wish to express the support of the AFL-CIO for this bill. We believe an expanded food stamp program can be a vital part of the war on poverty.

The 1963 AFL-CIO convention, in a resolution on "surplus foods," called for "extension of the food stamp on a nationwide basis" and urged the Secretary of Agriculture "to take the necessary steps to implement the extension of the stamp plan as an effective and dignified means of providing added nutrition to the diets of millions of Americans whose poverty deprives them of the food necessary for an adequate diet."

Therefore, we endorse the policy set forth in H.R. 10222 that "the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, and local governmental units to the maximum extent practicable to safeguard the health and well being of the Nation's population and raise levels of nutrition among economically needy households."

However, we believe the policy statement in section 2 of H.R. 10222 should include an explicit statement that it is the intention of Congress that the food stamp program should be administered in a manner to protect and to enhance the self-reliance and the human dignity of food stamp recipients. These recipients now include individuals, families, and households with limited income, receiving some kind of welfare assistance, unemployment compensation, and social security, veterans', or other limited pensions.

Fortunately, we have had more than 3 years of experience with pilot food stamp programs which are now in operation in 43 local areas in 22 States. More than 200 requests from other local areas in many States are on file in the Department of Agriculture.

On the whole, the existing programs are working well. They have demonstrated the practicability and feasibility of a broad nationwide food stamp program. They have also demonstrated the need for improvements and greater flexibility in administration.

Such improvements should include (1) distribution of food stamps more frequently, perhaps weekly, to facilitate family budgeting, which is usually on a

weekly basis; (2) distribution of food stamps through centers more easily available to eligible food stamp recipients; (3) increased incentive to eligible recipients to buy food stamps, perhaps by giving them at least \$2 worth of food stamps for every \$1 spent from their food budgets, instead of the present average exchange of \$1 worth of food stamps for every 60 cents spent from recipients' food budgets; and (4) raising the income limitations for eligible recipients.

Section 4(b) of H.R. 10222 authorizes the Secretary of Agriculture to "issue such regulations, not inconsistent with this act, as he deems necessary or appropriate for the effective and efficient administration of the food stamp program." We believe this section fully authorizes action by the Secretary to increase administrative flexibility and to put into effect the improvements mentioned above and other improvements in administration which may subsequently become apparent.

We are happy to note that section 7(c) of H.R. 10222 states explicitly that food stamps shall not be considered income under any Federal or State laws. Section 7(c) states:

"The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs."

We endorse inclusion of this subsection, 7(c), and we also endorse inclusion of subsection 10(d) in H.R. 10222, a subsection which states:

"Participating States or participating political subdivisions therefore shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provisions of this Act or the regulations issued pursuant to this Act."

As passed by the House, H.R. 10222 authorizes a 3-year food stamp program with appropriations authorizations of \$75 million in fiscal 1965, \$100 million in fiscal 1966, and \$200 million in fiscal 1967. We believe the funds authorized for each of these fiscal years should be at least doubled. Surely this Nation, with its food abundance, has an obligation to protect its needy citizens against hunger and malnutrition.

Mr. Chairman, I respectfully request that this letter in support of H.R. 10222 and the attached copy of the 1963 AFL-CIO convention resolution on surplus foods be included in the record of hearings by your committee on H.R. 10222.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation,
American Federation of Labor and Congress of Industrial Organizations.

RESOLUTION ADOPTED NOVEMBER 1963 BY THE FIFTH CONSTITUTIONAL CONVENTION
OF THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

SURPLUS FOODS

Whereas malnutrition and hunger continue to exist in this country despite the presence of a burdensome surplus of agricultural products, and the present surplus food distribution program is entirely inadequate, and an improved and expanded program designed to make available increased quantities of food to the needy is long overdue; and

Whereas millions of American families have never enjoyed the fruits of our much vaunted American productivity, other millions find their regular standard of living suddenly threatened by the ups and downs of the economy, organized labor through collective bargaining has done much to eliminate these economic insecurities, but the advantages of collective bargaining have not yet reached the majority of wage earners' families; and

Whereas as long as there are pockets of poverty in America, and as long as recessions and depressions still threaten, Government has an obligation to meet the basic needs of our people through a broad program of social legislation, including comprehensive social insurance, public assistance, and adequate minimum wage legislation; and

Whereas until these programs are effective enough to meet the needs of all our people, Government has an obligation to prevent malnutrition and hunger through a proper food program; and

Whereas since the spring of 1961 the Department of Agriculture has been testing a food stamp plan which has been found to be superior in every way to the surplus food distribution by recipients, public welfare administrators, religious leaders and others concerned with plight of the poor, the food stamp plan offering a wider choice of foods and greater dignity to the recipients and at the same time has the cooperation of the participating merchants; and

Whereas the food stamp plan since its inauguration has demonstrated its usefulness and feasibility: Therefore, be it

Resolved, That this convention approves the extension of the food stamp on a nationwide basis and urges the Secretary of Agriculture to take the necessary steps to implement the extension of the stamp plan as an effective and dignified means of providing added nutrition to the diets of millions of Americans whose poverty deprives them of the food necessary for an adequate diet.

FOOD STAMP ACT OF 1964

FRIDAY, JUNE 19, 1964

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The committee met, pursuant to recess, at 9:05 a.m., in room 324, Old Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senators Ellender (chairman), Talmadge, Mrs. Neuberger, McGovern, Walters, Aiken, Young of North Dakota, and Boggs.

The CHAIRMAN. The committee will come to order.

Our first witness is Mr. Angus McDonald, associate director of legislative services, the National Farmers Union.

We will be glad to hear from you now.

STATEMENT OF ANGUS McDONALD, ASSOCIATE DIRECTOR, DIVISION OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. McDONALD. Mr. Chairman and members of the committee, my name is Angus McDonald. I am associate director of legislative services of the National Farmers Union.

Our national president, Mr. James Patton, is very much interested in this legislation—I talked with him yesterday about it—but he is unable to be here today.

Mr. Reuben Johnson, who normally handles these bills, is unable to be here. I am, therefore, appearing in Mr. Johnson's place.

I am appearing here in support of H.R. 10222, a bill which is designed to improve nutritional levels, relieve burdensome farm surpluses and, at the same time, provide general benefits to the economy by utilization and expansion of the normal channels of trade. National Farmers Union has, over a period of years, endorsed such legislation.

The program authorized in this bill, which is generally referred to as the food stamp program, is entirely consistent with the long-time objectives of our organization. We desire, first of all, through our policies and activities to improve the income of farm people. The food stamp program is complementary to such programs. At the present time it is particularly timely in view of the interest of the President, the Congress, and of individuals and organizations in the problems of poverty.

The opportunity of every citizen to obtain sufficient food for bodily health is not only fundamental to the objectives of National Farmers Union, but to the objectives of the Government itself. It is necessary for the functioning of democracy and for health of the economy.

Despite the fact that the national income of our country is at an alltime high and a sizable dent has been made in the number of those unemployed, there are still millions of our citizens who are at or near the starvation level. The Nation is being deprived of the benefits of their labor as well as weakened because able-bodied citizens must take up the burden of supporting the unemployed and those unable to work.

Apparently it will be a long time before all of our problems of poverty are solved. The dynamic growth of our economy, while increasing the gross national product through the application of automation and technological efficiency and improvement of management, in itself creates a number of unemployed. These individuals must be maintained until such time as they can find employment in other industries and make some kind of an economic adjustment.

It should be emphasized that a good deal of the poverty-stricken condition of our citizens is due to conditions beyond their control and consequently is a primary responsibility of Government. There are, of course, many kinds of legislation before the Congress which seek to solve the problems of the unemployed, the underemployed and the handicapped by the initiation of various activities which will offer economic opportunities.

However, to be realistic, it seems that no matter how prosperous the bulk of the population is, there will always be among us the old, the infirm and the sick who need the helping hand of their fellow citizens. The food stamp plan, it seems to us, goes to the root of the problem merely by furnishing food to those who are suffering from or in danger of malnutrition. The bill, as outlined, seems adequate although we are wondering if sufficient funds are authorized.

According to our information there has been a certain amount of maladministration in connection with relief and food stamp programs in past years. However, we do not feel that such experience is a good argument for turning away from the problem of hunger which must be met. We believe that administrators will profit from past mistakes and that the provisions in the bill providing for State and local responsibility and standards will insure reasonably good administration.

If I can interject a statement, in addition to the written statement here, it has been pointed out to me that in some areas the eligibility of an applicant under this program is determined by the county, and if that individual, having received approval in one county, goes to another county, he is ineligible. And I was just wondering if the committee should pay some attention to that situation in the report or in some recommendation to the administration, so that if an individual under his program is eligible in one county he should be eligible in all counties in the State where he resides.

The CHAIRMAN. Well, as I understand it, the whole program will be administered by the States. And the State itself can make these regulations. Now, the pilot programs, as I understand it, that were in effect for the past few years, were more or less on a county basis. There were 43 such programs.

I imagine that under the regulations that matter can be covered within the purview of the law by the State administrator.

Mr. McDONALD. Yes, sir. I understand that, Mr. Chairman. I merely wanted to get into the record some notice of this. I do not

have any direct information on it, but someone told me that there was a problem on there of the individual in the county moving to another county and losing his eligibility.

The CHAIRMAN. You mean on a permanent basis—moving from one area to another on a permanent basis?

Mr. McDONALD. I do not know whether it would be on a permanent basis or what the situation was. I just wanted to mention that problem which, as you say, is really not a problem primarily for this committee, but for the State authorities.

Finally, we point out that this legislation may contribute somewhat to the solution of the problem of low farm prices and income, as well as help reduce burdensome surpluses. During the past year and a half the situation of agriculture, particularly in regard to livestock, has become critical. It is estimated that the livestock industry has lost from \$2 to \$2½ billion during this period. There would appear to be an excess of beef and other food on the market which exists in part because potential consumer demand is not realized. Millions of our citizens, because of their low or almost nonexistent incomes are unable to include meat in their diets. The food stamp plan would help these people to a certain extent, as well as alleviate the economic condition of livestock producers and others engaged in agricultural production.

The problem of agricultural surpluses due to increasing agricultural efficiency has been before this committee for many, many years. We would not presume to advise the committee in regard to this situation, but merely call attention to the fact that the great body of knowledge accumulated by the members of this committee would all seem to point in the direction of support for such legislation as is before you today.

Thank you for the privilege of appearing here today.

The CHAIRMAN. You say one of your criticisms was that there is not enough money provided. What do you base that on?

Mr. McDONALD. Well, it seems in relation to the fact that it is reported that over \$4 billion is expended for relief in the entire country and the fact that there are millions of people who are living on social security or relief benefits which are said to be inadequate in fact, that is one of the reasons for this bill—it would appear that with such an enormous amount of money expended in regard to relief programs and such an enormous amount of money received by social security people who have no other income, I merely raise that question, Mr. Chairman. I do not have the complete information.

The CHAIRMAN. You have a lot of people receiving benefits who, no doubt, have enough to provide for themselves. In that sum of \$4 billion that you speak of, that figure must cover all the recipients.

Mr. McDONALD. I believe it does.

The CHAIRMAN. And it is the people who, probably, have side income aside from their pensions and the like. That was one of the things that worried me. I think that we ought to start on this program slowly, because you can drive it into the ground otherwise and there will be no end to it. The people will expect the Government to support them in many endeavors in life. I do not want to start a program and be a part of a program like this, if this bill should do such.

Mr. McDONALD. I would not pursue that. I merely raised that question in view of some 4 or 5 million unemployed and the enormous amount of money that is expended for relief and the millions on social security and so on. When you spread it around it does not amount to very much.

The CHAIRMAN. We spend a lot to help the unemployed and we cut taxes back for the next 2 years, for \$11 billion. And if that does not work, why, I do not know what will. Certainly we do not want to feed them just through Government programs, because then you will never find work for them. You have some people who, once they get something free from the Government, are not going to look around for work. They are just simply lazy. And I would rather go slowly with a program like this and make every effort to find them employment, if that is at all possible for these people.

Mr. McDONALD. We are supporting the bill. I want to emphasize that as it is in its present form.

The CHAIRMAN. Are there any further questions?

Senator AIKEN. I shall not be able to spend much time here right now, because I am due at the Foreign Relations Committee at the same time this morning. However, everybody knows that I have been very much interested in this bill. I thought that I ought to show my interest in it and I would like to have printed in the record data as to the number of times that this bill or one practically like it has been introduced since 1943, the first two times by Senator LaFollette and myself. Here is the action which has been taken on it and the reports that have been made on it from time to time. Sometimes it was reported favorably, sometimes not at all, but mostly adverse from various Government departments. And, also, I would like to have the record show that the Senate did pass the food allotment bill as separate title in a bill to amend Public Law 480 on September 7, 1959, but the House refused to accept it as it was. It is my recollection that that title formed the basic outlines for the experimental programs in the last 2 or 3 years.

Also, I have some explanations of the bill which was introduced in an earlier year and if there is no objection, I would like to have these put in the record. I think they will serve to show that I am really interested in this type of bill. I am sure that the Farmers Union supported them every year.

Mr. McDONALD. Yes, we did.

Senator AIKEN. I believe they did.

Mr. McDONALD. I believe that we look on you as the father of this legislation.

Senator AIKEN. The first 2 years Senator La Follette cosponsored the bill, and in the next session of Congress it was introduced twice. Later it was introduced with additional cosponsors, Senator Young, Senator Humphrey, Senator Anderson, and Senator Watkins. There have been cosponsors for the last several sessions of the Congress.

The CHAIRMAN. Secretary Freeman paid you a tribute yesterday.

Senator AIKEN. Yes, sir; I appreciate the Secretary's remarks. Since I have not had time to adequately express my approval of this legislation, I thought that this was the best way to do it.

The CHAIRMAN. It seemed to me that the pilot program we have had in the last 2 or 3 years has ironed out some of the difficulties in the administration of it.

Senator AIKEN. This pilot program was the result of the Senate passing the food allotment program in a bill to amend Public Law 480 in 1959.

The CHAIRMAN. And, without objection, these documents will be made a part of the record at this point.

(The document entitled "History of Food Allotment Bills," and the newspaper clippings from the Rutland (Vt.) Herald of Sept. 22, 1945, and of June 19, 1945, explaining the bill, follow:)

HISTORY OF FOOD ALLOTMENT BILLS

- S. 1331, 78th Congress: July 8, 1943, introduced and referred to Committee on Agriculture and Forestry. January 14, 19, 21, 24, 25, and 26, 1944, hearings held.
- S. 185, 79th Congress: January 10, 1945, introduced and referred to Committee on Agriculture and Forestry.
- S. 1151, 79th Congress: June 15, 1945, introduced and referred to Committee on Agriculture and Forestry. September 18, 1945, favorable report from Department of Agriculture.
- S. 131, 80th Congress: January 10, 1947, introduced and referred to Committee on Agriculture and Forestry. June 5, 1947, favorable, if amended, report from Department of Agriculture.
- S. 104, 81st Congress: January 5, 1949, introduced and referred to Committee on Agricultural and Forestry. July 28, 1950, adverse report from Department of Agriculture.
- S. 267, 82d Congress: January 8, 1951, introduced and referred to Committee on Agriculture and Forestry. May 23, 1951, adverse report from Department of Agriculture.
- S. 2550, 83d Congress: August 1, 1953, introduced and referred to Committee on Agriculture and Forestry. February 12, 1954, neutral report from Department of Agriculture. April 23, 1954, favorable report from Department of Labor.
- S. 45, 84th Congress: January 6, 1955, introduced and referred to Committee on Agriculture and Forestry. March 1, 1955, favorable, if amended, report from Department of Labor. March 16, 1955, adverse report from Department of Agriculture. November 4, 1955, favorable, if amended, report from Department of Health, Education, and Welfare.
- S. 43, 85th Congress: January 7, 1957, introduced and referred to Committee on Agriculture and Forestry. February 9, 1957, neutral report from Department of Labor. May 16, 1957, adverse report from Department of Agriculture.
- S. 585, 86th Congress: January 20, 1959, introduced and referred to Committee on Agriculture and Forestry. February 25, 1959, neutral report from Department of Labor. April 9, 1959, adverse report from Department of Agriculture. June 4, 5, and 8, 1959, hearings held. June 8, 1959, adverse report from Department of Health, Education, and Welfare.¹
- S. 23, 87th Congress: January 5, 1961, introduced and referred to Committee on Agriculture and Forestry.

[From the Rutland (Vt.) Herald, June 29, 1945]

AIKEN FOOD ALLOTMENT BILL

WASHINGTON.—The national food allotment bill is explained by its sponsors, Senators Aiken, of Vermont, and LaFollette, of Wisconsin, as a measure to provide adequate diets for low-income families and better markets for farmers.

The two Senators, representing two of the Nation's great dairy States, say

¹ On Sept. 7, 1959, the major provisions of the food allotment program were inserted by the Senate as title II: Demonstration Food Stamp Allotment Programs in H.R. 8609, a bill to amend Public Law 480, 83d Cong. While a different food stamp program was agreed upon conference but never put into effect, the present pilot programs follow very closely the outlines of the demonstration programs proposed in the title passed by the Senate in 1959.

that the bill lays equal emphasis on consumers' needs for better nutrition and farmers' need for broader markets. The following analysis of the measure is taken from a news release on the subject.

The basic principles of the food allotment program are simple.

The first step is to determine scientifically the level of nutrition needed to keep an average person strong and healthy, and to translate that nutrition level into actual amounts of lower cost foods.

The second step is to determine the value of the low-cost adequate diet periodically at current retail food prices. This cost, on a yearly basis, would be known as the "food allotment."

The third step is to supplement the buying power of families that are not able to afford low-cost adequate diets.

In carrying out the third step, needless redtape that would limit the effectiveness of the program must be avoided. At the same time, Federal funds must be used in the most effective way to raise levels of nutrition and improve farm markets.

For example, suppose the food allotment per person was \$15 a month. In that case, a family of four could buy food coupons worth \$60. If the family had an income of \$100 a month, it could get the coupons by paying 40 percent of its income, or \$40. If the family income were \$125, it could buy the same number of coupons for \$50. But if its income were \$150, the family would have to pay \$60 for \$60 worth of coupons, and therefore would find no advantage in participating. A family of five with an income of \$150, however, would again benefit by buying \$75 worth of coupons for \$60.

Thus, the Government's contribution would largely represent a net increase in family food consumption. An average family of four with an income of \$100 a month now spends about \$40 a month for food. Under the allotment program the Government would sell this family \$60 worth of food coupons for \$40. The net cost to the Government—\$20 a month—would in this case just equal the increased value of food consumed. Of course, it would not work exactly this way in all instances. Sometimes the increased food consumption might be a little less than the Government contribution, but in general, the Government money would be used for food; that is, for better diets, and larger markets for farm products.

How much would the program cost? Of course, that would depend on the Nation's level of prosperity and the number of eligible families who chose to participate. However, studies of what probably would have happened in past years with such a program in effect indicate that the cost of the food allotment program might range between three-fourths of a billion dollars in times of prosperity to possibly \$2½ billion in times of depression. One of the great merits of the program would be its tendency to level off the ups and downs of the business cycle. In good times, Government spending under the program would contract; in bad times it would expand and counteract the tendency toward shrinking markets.

How would the food allotment program affect the Nation's levels of diet? Again the best way to find out is to go back to what would have happened in the past. Had the program been in effect in 1942, for example, participating families probably would have bought 60 percent more tomatoes and citrus fruit, 30 percent more milk, meat, poultry, and fish, and substantially larger amounts of vegetables and other fruits, eggs, and potatoes and sweetpotatoes. Purchases of other foods, such as grains, fats and oils, and sugar, would have remained about the same.

What could farmers expect in the way of better prices and incomes? The food allotment program not only would increase consumer food expenditures by about the amount of the direct Government contribution, it also would tend in many instances to strengthen food prices throughout the market. It has been estimated that a Government contribution of \$1 billion to a food allotment program in 1942 would have increased farm income from food products by about \$1½ billion.

The food allotment program is especially important as a means of carrying out the Government's commitment to support farm prices and farm income after the war. The soundest way of doing this is by insuring a large and stable market for agricultural products. We cannot long avoid a balance between supply and demand. Shall we reach this balance by a compulsory crop reduction program to reduce supply or by a voluntary food consumption program to raise demand? The second way—and the way provided in this bill—is certainly better both for farmers and for consumers, and it would lighten the burden of price support operations.

[From the Rutland (Vt.) Herald, Sept. 22, 1945]

SENATOR AIKEN OFFERS FOOD ALLOTMENT BILL—VERMONT SENATOR SAYS SUCH A MEASURE WOULD PROVIDE ALLTIME MARKET—BILL COMES UP SOON—VERMONT JOINED BY SENATOR LA FOLLETTE, PROGRESSIVE, OF WISCONSIN, IN OFFERING PLAN

(By Sidney A. Govenar)

WASHINGTON, Sept. 21.—Senator Aiken, Republican, of Vermont, farmer and legislator, believes that in years ahead the greatest single problem of the Nation's farmers will be to find markets for all they can produce.

And Aiken believes he has a solution to this major problem in his food allotment bill.

The measure, introduced jointly by Aiken and Senator La Follette, Progressive of Wisconsin, last June, is expected to come up for hearings before a subcommittee of the Senate Agriculture Committee soon, possibly next month.

Aiken said, in an interview, that he is receiving many letters seeking quick action on his bill, some from New England dairy producers and fruitgrowers.

The Vermont Senator added, the purpose of his bill is twofold. First, he said, it would provide markets for farmers through normal channels, and second, it would enable lower income families to increase their food purchases, and thus improve their diets.

"Unless active measures are taken, we can expect that, even with full employment, American families will be going hungry while American farmers are looking for places to sell their products. With less than full employment, the outlook for want in the midst of plenty would be far more serious," Aiken said.

"The national food allotment bill is designed to head off such an unfortunate situation," he continued. "It is not, in the ordinary sense, either a welfare or a farm relief measure. It is an effort to put a floor under levels of nutrition for the Nation's families and to insure a large and stable market for food."

Aiken said that the basic principles of the food allotment program are simple, and listed them as follows:

"The first step is to determine scientifically the level of nutrition needed to keep an average person strong and healthy and to translate that nutrition level into actual amounts of lower-cost foods.

"The second step is to determine the value of the low-cost adequate diet periodically at current retail food prices. This cost, on a yearly basis, would be known as the 'food allotment.'

"The third step is to supplement the buying power of families that are not able to afford low-cost adequate diets."

It has been found, Aiken asserted, that on the average lower income families spend about 40 percent of their incomes on food. Under the proposed program, participating families would continue their normal spending for food. The Federal Government would contribute funds to buy additional food.

"This," Aiken said, "would be accomplished by offering any family an opportunity to buy for about 40 percent of its income food coupons with a face value equal to the food allotments for all members of the family.

"Thus, while the value of the food coupons remained fixed, the amount that a family would pay for them would be determined by its money income. The Government would be bearing the difference between the family's contributions and the face value of the food coupons."

Aiken explained how the plan would work with the following examples:

If the food allotment per person was set at \$15 a month, a family of four could buy food coupons worth \$60. If the family had an income of \$100 a month, it could get the coupons by paying 40 percent of its income, or \$40.

If the family income were \$125, it could buy the same number of coupons for \$50. But if the income were \$150 a month, the family would have to pay \$60 for \$60 worth of coupons, and therefore would find no advantage in participating.

"Thus the Government's contribution would largely represent a net increase in family food consumption," Aiken said. "An average family of four with an income of \$100 a month now spends about \$40 a month for food. Under the allotment program the Government would sell his family \$60 worth of food coupons for \$40. The net cost to the Government—\$20 a month—would in this case just equal the increased value of food consumed.

The CHAIRMAN. Are there any further questions?

If not, we thank you very much.

Mr. McDONALD. Thank you.

The CHAIRMAN. Our next witness is Mr. Harry L. Graham, legislative assistant to the master of the National Grange.

**STATEMENT OF HARRY L. GRAHAM, LEGISLATIVE ASSISTANT TO
THE MASTER, NATIONAL GRANGE**

Mr. GRAHAM. Mr. Chairman, and members of the committee, I am sorry that I did not get to testify yesterday, because the chairman has already referred to the fact I had a very lovely lady with me yesterday, our Grange Queen for this year, and I was looking forward to the opportunity here of introducing her to all of the committee.

The CHAIRMAN. You should have done that while we all were here, irrespective of whether you testified or not. We would have been glad to pay homage to her.

Mr. GRAHAM. Usually, as I told the chairman, I was accompanied by someone as prosaic as a lawyer, but yesterday I was in better luck. I did bring another young lady with me today, my daughter back here, who some day may be a Grange Queen, but we will see about that, because she is only 12 years old now.

The CHAIRMAN. Where is she?

Mr. GRAHAM. Right back there [indicating].

The CHAIRMAN. Please stand up. [Applause.]

Mr. GRAHAM. I am having an awful job keeping her home since school is out.

The CHAIRMAN. That is natural, is it not?

Mr. GRAHAM. I think so.

The CHAIRMAN. You may proceed.

Mr. GRAHAM. My name is Harry L. Graham. I am legislative assistant to the master of the National Grange.

The Grange appreciates the opportunity to present its position concerning the food stamp plan before the Senate Committee on Agriculture and Forestry today, and we want to thank you again for the many courtesies this committee has extended to us, as it has considered vital issues concerning agriculture and the national welfare in the past.

The National Grange, from its beginning 97 years ago, has been concerned with the welfare of people. Indeed, one of its first acts of national importance in the early years of Grange history was the purchase and distribution of five carloads of food and clothing for the flood victims of Mississippi and Louisiana. An additional cash grant was made to the State granges in the affected areas for their use in alleviating human suffering. I thought you might be interested in that history.

The concept of fraternity, around which our organization is built, has its foundation deep in our Judeo-Christian culture, which has at its heart a concern for others in economic positions less favorable than ours.

In 1951, when the National Grange met at Atlantic City, N.J., it stated, among other things, as the guiding objectives of its farm program, to:

Maintain that surplus farm production should not be wasted or destroyed, but should be handled by invoking a realistic two-price, or multiple-price program on either a grade or a use basis, or by purchase for general public relief. Farmers should not bear the burden of this relief.

They also stated:

As a primary means of upgrading the standard of living and diet of the people, we are in favor of a food stamp plan that will utilize surplus products at surplus price levels for general relief of low-income families.

The last statement was reaffirmed in exactly the same words by the delegates at the 86th annual session of the National Grange in Rockford, Ill., in 1952. In 1956, in its 90th annual session in Rochester, N.Y., the following resolution was adopted by the delegate body of the National Grange:

In view of present huge accumulations of surplus food stock, and the fact that a portion of our population is undernourished, we favor investigation of food stamp plans to determine whether plans can be devised to put into effect the disposal of food surpluses to feed the undernourished.

The Grange believes that H.R. 10222, as passed by the House, and referred to the Senate, contains the basic objectives of the Grange position concerning the use of food stamps to increase the distribution of foods in surplus supply, and upgrade the diets of needy people in the United States. We have previously supported the use of such products to alleviate hunger and need in foreign countries, and we could not in honesty to ourselves and to our long-established program, oppose the enactment of this legislation which is before this distinguished committee.

While we do not believe that there are a great many people in America who are really "hungry," in the true sense of the word, it is, nevertheless, a national disgrace that there are people with inadequate diets in the midst of the abundance which the American farmers have placed before the American people. The opportunity for the American people to share fully in this plenteous supply of food, regardless of their economic station in life, should be, and is, a major objective in any campaign against the effects of poverty. The Food Stamp Act of 1964 appears to us to be an integral part of this program, and one which we can support with real enthusiasm.

We, therefore, urge the committee to approve of this legislation and to give active leadership in enacting this plan in the Senate at an early date.

May I make just a couple of statements that are not in the prepared manuscript to say I have listened to the testimony and the questions of the committee. It appears to me that the committee has in mind some adequate safeguards for the proper use of this food and for the proper administration of the plan, and we would approve and support some of the suggestions that you, Mr. Chairman, and the other members of the committee have made in this regard.

The CHAIRMAN. Have you any suggestions in that respect?

Mr. GRAHAM. Frankly, I have not had a chance to study all of the administration of this as well as I wish I had. I would like to suggest a couple of things, though, that are related to it.

One is that we are pleased that this does not substitute for the direct distribution of food. In some ways the direct distribution of what is really surplus comes a little closer to our concept than the food stamp plan.

The CHAIRMAN. One of the troubles is that there is so much waste.

Mr. GRAHAM. That is correct. We recognize that.

The CHAIRMAN. You give people a lot of food that they are not accustomed to. I know I have seen cases in my own State, not very far from where I live, where they distribute as much as 3 pounds of butter per week.

Mr. GRAHAM. Yes; we feel that same way.

The CHAIRMAN. I would rather have this thing in a way that it goes through normal channels. The only thing is that it may cost a little more.

The only other thing I fear is that once you start a program like this it will be rather difficult to hold it within bounds.

Mr. GRAHAM. I think that is a legitimate fear, and one, I think, that we would share. I am pleased that the legislation has a gradual acceleration to it which will give the Congress a chance to rethink it year by year if it seems necessary, and I hope that you will think it is necessary to do that.

The CHAIRMAN. This program cannot proceed longer than 3 years, because the authorization or the appropriation of the money to make it effective ends in the third year. They will have to come back to us.

There has been some complaint about the language put in the bill in section 3 under B as to the meaning of "food," where it states—

The term "food" means any food or food products for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary—

and so forth.

It is my belief that this definition goes a little too far, because what are "luxury foods" in your mind? Would you know? What do you call luxury foods?

Mr. GRAHAM. That is a question that I was going to propose to the committee, that it needs to be more carefully defined. I would think that luxury foods are the kinds which I have found in the store that I used to shop in, in which they called them gourmet foods, on that counter, which had such things as caviar and special jams and jellies and such things that cost considerably more than the average for that kind of food.

The CHAIRMAN. Well, people who are recipients under a program like this are not customarily purchasers of that kind of food, are they?

Mr. GRAHAM. I would hope not.

The CHAIRMAN. What about luxury frozen foods—what category would that come in, do you know?

Mr. GRAHAM. We talked this over in our staff, and we were a little bit concerned about the use of this kind of authorization to buy foods that have a lot of built-in maid service already. The TV dinners in some instances may be the cheapest way a single person can eat. I am not prepared to argue that. I am not sure that prepared TV dinners are the cheapest way for a family of five to eat—I do not think it would be for my family.

This is the kind of thing which, I think, we have to have some reservations on. I do not know about luxury frozen foods, where that would come into the built-in services in the preparation of food, where all you have to do is to heat and serve, and sometimes only to thaw and serve. Because this is not food that you are buying, this is service that you are buying, and I would assume that these people ought to be able, at least, to stir up the mix instead of buying the cake.

The CHAIRMAN. They could buy the flour and make biscuits instead of buying readymade biscuits, is that not correct?

Mr. GRAHAM. Yes.

The CHAIRMAN. Do you not think that people would be prone to do that who are really trying to conserve what little money they have in order to get the best and the most with the amount of money they have?

Mr. GRAHAM. I think in general this is true, although I am not assuming that good judgment is always to be found in this group any more than in any other group of people. I think there are exceptions to it. It will be difficult to find the exceptions in many instances.

The CHAIRMAN. Well, you think that this might be done administratively instead of putting it in there, without any further definition of what is meant by "luxury articles?"

Mr. GRAHAM. I would think so. The only suggestion that I can make is I think that the cooperating stores in this program know what are luxury foods. They ought to know better than anybody else. And a part of the rules for participation in this program should be the understanding that they are to refuse the use of the coupons for items which, in their judgment, are considered to be luxury items.

I do not know how to draw all of these lines without making a bill that is so long that nobody knows what it is.

The CHAIRMAN. We do not want to do that.

Mr. GRAHAM. I know that you do not.

The CHAIRMAN. But we do want something in the record in the way of suggestions, if we can get them.

Mr. GRAHAM. Yes, I think this is the place to do it.

The CHAIRMAN. What is meant by that: If you have any other suggestions, the committee will leave this record open until, say, next Tuesday at noon and if you have any further statements with respect to this particular subsection which seems to be one which has received criticism, the committee will appreciate your suggestions.

Mr. GRAHAM. Thank you.

The CHAIRMAN. Are there any further questions, or did you want to say something else?

Senator YOUNG of North Dakota. Mr. Chairman, may I ask this question?

The CHAIRMAN. Yes.

Senator YOUNG of North Dakota. Do you have any ideas as to how abuses of the program could be prevented? If so, it would be most helpful if you would make such suggestions available. I have supported this program in the past; however, I am a bit concerned that since the costs to the States are little or nothing, and they will administer it the tendency may be for the States to feel, perhaps. "We might as well give it to them. It doesn't cost us anything." It is possible that assistance would be provided to people who are not needy.

This is the thing that concerns me most. You might build up a tremendous amount of participation in this program and keep increasing it year by year, regardless of whether or not they were really needy people.

Mr. GRAHAM. That is the whole problem of all of our relief problems, is it not?

Senator YOUNG of North Dakota. Well, this would be the case with this one more than most, because the Federal Government would be furnishing most of the money and the States very little.

The CHAIRMAN. It is limited to the administration costs on the part of the States.

Mr. GRAHAM. I think that we will have to have some awfully hard-nosed administrators. I do not know how we could do it except on that level. And if the State administration is not adequate, then the Congress has the right and the responsibility to terminate the program.

The CHAIRMAN. My fear is that if this thing goes on it will gather a lot of supporters. And, you know how Congressmen and Senators act when the people back home have something to say at the polls, you know. It is very unfortunate that it should be that way.

That is what I suggested yesterday, that by letting the States have the say as to who shall receive any of this food it is entirely possible that some of the politicians on the State level, not on the national level, because we do not engage in politics, you know, but these officials have to please those boys out there and they will try to get busy and try to put on all they can. I am not pointing a finger of scorn in the direction of anybody in particular, but it would seem to me that it would be natural for that to occur, and we should not leave the door wide open so that such a thing can happen, because if this thing starts rolling along and snowballs, unless we put the brakes on so as to choose those who are really needy, who really qualify and who should have the service in order to maintain a proper diet, we will defeat our purpose.

Mr. GRAHAM. I think you and the Senator from North Dakota have both put your fingers on one of the problems which we have. I think it is part of the problem that America is discussing in general today, whether or not this kind of legislation and administration is better done by the Federal people or the State people, or other organizations. And I am not one of these people who believes that there is any inherent virtue in the fact that a man is employed by the State instead of the Federal Government. I do not think that you get necessarily any better legislation or administration one way or the other. In some ways, what you have talked about, Senator Young, I think is a very pertinent point, that the man who is closest to these people, which is the State administration, as to the money that comes from the Federal Government, he is in a position to do the kind of thing which you properly fear.

I do not know how to avoid this except as I said, through some hard-nosed administration of the program.

Senator YOUNG of North Dakota. That is all, Mr. Chairman.

The CHAIRMAN. That, of course, I believe would be very expensive, I presume. A lot of the people, particularly from the South, do not like the long arm of the Government to reach too far, you know.

Mr. GRAHAM. I do not mean the Federal Government doing the disposition of the stamps and everything but the overall supervision of this could prevent abuses, I think. It has to rest with the Federal Government that is spending the money to provide the program. I do not know any other way of doing it.

The CHAIRMAN. Are there any further questions?

Senator NEUBERGER. Mr. Chairman, I just wanted to say "Amen" to what Mr. Graham has said about State administration. I think the bill was written in such fashion because the State is closer to the people. I have a feeling that was the main reason it was in there. There is an assumption that the person who is closest to the recipient is certainly going to be the nearest one to administer the program. And why he would tend to be overgenerous with the Federal money, I do not see.

The CHAIRMAN. The reason is that he has no responsibility. He gets all of the money from the Federal Government. If it were done on a matching basis, he might be more careful, but here you have a program that is being administered by State officials with no contribution on the State's part.

Senator NEUBERGER. The State officials have no desire, that I have known, to do that. The theory behind State administration is that they are closer to the people, and if they are not doing it right, they can be put out. I am sure that this whole program would meet with real opposition if it did not have the State connection or State administration.

The CHAIRMAN. I presume that if the State had to contribute some of the money necessary to operate this program, they might be a little more careful. We will argue that on the floor of the Senate.

All right.

Senator Boggs. On that point I have heard many professionals for whom I have the highest regard in welfare work say that the secret of success in any welfare program, its helpfulness and effectiveness, is the supervisory personnel. I know that at our State level, when the fieldworker would have a caseload of, say, 81 or 86 cases, they cannot really follow up on the program to see that it is being carried out and cannot be helpful with suggestions any they cannot get the maximum benefits from their effort. If you have a caseload of over 50 cases, for example, because 50 is a heavy load. That is the point here. That is beyond the normal welfare load that the State supervisory people can carry. And if this food stamp plan goes beyond that in caseload, it would be beyond, you might say, any supervisory followup, that is, helpful followup. These professional people have indicated to me that it is almost useless if you do not have any kind of followup and supervision of the plan.

The CHAIRMAN. Are there any further questions?

Senator Boggs. Do you have any comment on that?

Mr. GRAHAM. I think it simply points up the whole problem of administration and, that is, that we are in a quandry as to whether or not to adequately staff the offices that are doing this and spend that kind of money, or whether we are willing to take the results of inadequately staffed programs.

I do not think it is a question of morality or anything between the State and the Federal Government. I do not see any difference between the kind of people who work on it one way or the other.

Senator Boggs. You have to have the personnel to follow up and see that the objectives are carried out.

Mr. GRAHAM. At this time we may be saying to the State and we may be saying it in an oblique way that you will have some costs with this in addition to your present cost, and this may be a part of what the committee may have to think of in terms of adequate administration of the program and thus, I doubt if you can write that into the legislation. You may be able to write it into the directions but it is not going to be an easy job to keep this thing from getting out of hand and having some abuses without an awful lot of supervision and I do not know who is prepared to pay for that much supervision. That is the other side of the coin.

Senator Boggs. Do you have any information that could be put into the record on this point I have raised?

STATEMENT OF HOWARD P. DAVIS, DIRECTOR, FOOD DISTRIBUTION DIVISION, AGRICULTURAL MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. DAVIS. I believe, sir, that we do have a provision in the bill as it stands directed toward your concern in that in the administration of this program the State is required to handle the program through the same agency that handles public assistance and using the personnel that meets the same standards as the personnel used in public assistance. This does not provide any more safeguards than the State already has for its own public assistance programs. If it has bad administration of it, the bill will not correct it. But here, again, I think it is a question of how far the Federal Government can go in determining what a State shall do.

Senator NEUBERGER (presiding). You know, in Canada where they have the family allowance plan, I asked the administration as to their cost of the program. The administrator said, "We are helped by nousey neighbors." I think that would happen. And it would really help.

Senator Boggs. I recognize that. That applies everywhere, but nousey neighbors do not always get all of the facts.

Senator NEUBERGER. Thank you very much, Mr. Graham.

If there are no other comments, we will next hear from Mr. Dressler for the Committee for Miners.

STATEMENT OF JOEL DRESSLER, LEGISLATIVE DIRECTOR, COMMITTEE FOR MINERS, ALSO REPRESENTING THE APPALACHIAN COMMITTEE FOR FULL EMPLOYMENT

Mr. DRESSLER. Madam Chairman and members of the committee, my name is Joel Dressler. I am here today on behalf of the Committee for Miners and the Appalachian Committee for Full Employment to testify on H.R. 10222, the Food Stamp Act of 1964.

In attempting to serve the needs of unemployed industrial workmen and their poverty-stricken families in the Appalachian coal region, the two organizations which I represent perform complementary functions.

The Committee for Miners is an association of clergymen, college professors, writers, lawyers, trade unionists, and other conscientious Americans who seek to provide for the unemployed some of the outside services—such as technical assistance, legal aid, and material relief—which are not otherwise normally available to them. It was founded in 1963 in response to the needs of several thousand eastern Kentucky coal miners who had lost their jobs and union benefits due to automation in the mines. I am appearing here today in my capacity as legislative director of the committee.

The Appalachian Committee for Full Employment, which I also represent, is a grassroots movement of unemployed men and women who are working to build a better society in Appalachia. The committee was organized several months ago after a White House conference at which Presidential Press Secretary George Reedy asked a delegation of unemployed Kentucky miners to lead such a movement of the economically disfranchised.

The Appalachian Committee for Full Employment has achieved notable success in initiating community action and organization among unemployed workers in Perry County, Ky., which is one of the places where the Federal Government's pilot food stamp program is presently in operation. Many of the members of that committee, incidentally, are now enrolled in the program.

I had hoped that it would be possible to bring with me several of those people so that they might tell you in their own words about their experiences with the food stamp program. Unfortunately, I did not find out about this hearing until it was too late to make the necessary arrangements to get them here.

We have been fortunate, however, in persuading Mr. Berman Gibson, the president of the Appalachian Committee for Full Employment, to come here on short notice and at great expense. Mr. Gibson is unemployed and contrives to support himself and his family on a small stipend that we are able to provide him. I am sure the committee will appreciate that his being here marks extreme personal sacrifice.

Although he is not a participant in the food stamp program, Mr. Gibson has extensive direct knowledge of the way it operates in Perry County. I am certain that the committee will take great interest in what he will have to say.

Another distinguished member of the Appalachian committee, Mr. Everett Tharp, has prepared a report on certain aspects of the food stamp program in Perry County. If the committee will permit, I plan to submit his report for the record. I believe his comments will be of great use to you in your deliberations on this matter.

Mr. Chairman, we are generally in favor of the provisions of H.R. 10222. We believe that the food stamp program, which enables participants to shop for their food supplies through the regular channels of trade, is vastly superior to the system of direct surplus food distribution. Participants in the food stamp program do not have to suffer the indignity of waiting in a commodity line while some indifferent commissary clerk doles out their regular allotment of peanut butter and dried milk. The food stamp program contributes to the maintenance of self-respect by those whose pride and well-being have been impaired by the unhappy circumstance of poverty. It better

enables them to attain that variety of diet which is the spice of a healthy life. It nourishes the economic health of the communities in which they live by supporting the enterprise of the local merchants.

We support the food stamp program because we find in it the understanding that poverty is misfortune and not disgrace, and because proceeding from that understanding is the promise of action which might help readmit the poor to a society which has long excluded them.

Although we are relatively enthusiastic about the food stamp program and although we support the general provisions of the food stamp bill, we are not yet ready to offer complete endorsement of H.R. 10222. Our experience with the pilot program has raised many issues which must be confronted and resolved before the continuing program can be insured the success we believe was intended for it.

It is altogether appropriate that the committee should consider these issues now. For it seems to us that these hearings present a unique opportunity to review the pilot program, to learn from its experience, and to correct its mistakes before going on with a more comprehensive program.

For the people of Perry County, Ky., that experience too often has been bitter; those mistakes too often painful and injurious.

Let me describe for you a scene which has repeated itself many times since the pilot food stamp program was initiated in Perry County.

A man, an unemployed coal miner, the father of a large family who rarely have enough of anything to eat, goes to the county welfare office in Hazard, Ky., to apply for food stamps. His need is great and obvious. The welfare officer asks him if he has a job. He replies that he has been unemployed since the mine where he used to work was mechanized or closed down. The welfare officer then says that he knows where the man can get a job and telephones the operator of one of the small truck mines—called dogholes by the men—and arranges for the man to work in the mine, as a condition for receiving food stamps.

The circumstances may vary a bit, but the pattern remains the same: The jobs which applicants must accept—and they are not limited to mining jobs—are, in most cases, very low paying. In the example given—that of jobs in the marginal truck mines—the pay varies from \$3 to \$10 a day, usually less than \$1.25 an hour, which is the Federal minimum wage standard. In another case, an applicant might be required to accept employment on a State-sponsored work project which pays \$1 an hour.

In appraising these facts, it is necessary to put them in the perspective of what the food stamp program is designed to accomplish. Although H.R. 10222 is not part of the administration's omnibus anti-poverty bill, President Johnson has clearly indicated that passage of the food stamp bill is essential to the success of his "war on poverty." The food stamp program, therefore, is designed to combat poverty.

The genius of the food stamp program, as we conceive it, is that it can create choices for people. In other words, by freeing them from the struggle simply to survive, by providing them with spiritual health and spiritual independence, it can enable them to begin to function as free agents in a competitive economic world. The food stamp, there-

fore, should be a temporary alleviative which fortifies recipients so they can begin to work out long-term solutions to the problems facing them.

But if the beneficiaries of this program are forced to accept low-paying jobs as a condition for receiving their food stamps, the stamp can only serve to further bind them to their poverty. For we must remember that the administration has defined poverty as that which occurs when a family receives an annual income of less than \$3,000. Wages of \$1 an hour, the amount paid by the State of Kentucky to employees of the community work program, yields an annual income of only \$2,000. Even the Federal minimum wage of \$1.25 only yields \$2,500 a year, considerably below the "poverty" ceiling.

There is another way of looking at this aspect of the food stamp program. Although we shall not go so far as to accuse the local welfare officials of any conspiracy or conscientious discrimination, it remains true that, in effect, by requiring applicants to accept low-paying jobs in return for the food stamps, they are bribing them into continued poverty, not freeing them from it. Furthermore, this process amounts, in effect, to a Federal subsidy for low-wage-paying employers.

Make no mistake about it, by expressing their indignation and concern about these abuses of a basically sound program, the people of Perry County are not demonstrating any aversion to useful and productive work. I'm sure Senator Cooper would agree with me that these people are proud and industrious, that they would much rather work than accept relief in any form. But they want decent jobs, jobs that can earn them the kind of life and standard of decency that every American has a right to expect by virtue of living in this great and affluent society. What right do we have to require that they must barter their dignity and freedom in order to survive? What right do we have to require that they must submit to the modern equivalent of indentured servitude?

The CHAIRMAN. Have you the report here?

Mr. DRESSLER. Unfortunately, it was put in the mail the other day and I do not have it as yet, but I expect it to arrive today.

I realize that this is quite a serious matter that we are bringing before you, and I would like to indicate that this is not the first time we have talked about this. We have spoken with officials in the Department of Agriculture and with Members of the Congress about this. And we would, also, like to note that this practice, unfortunately, does not seem to be limited to the food stamp program.

If the committee would permit, I have a brief paragraph from an article in the U.S. News & World Report which was an interview of Mr. Harry Caudle, a lawyer from Whitesburg, Ky., who has become really quite a spokesman for Appalachia, and if the committee will permit, I would like to read that brief paragraph:

The question asked by the writer was, "Does politics get into the handing out of welfare checks?" And the answer, "Yes, welfareism has created a power structure in which local political machines of great power and efficiency are supported by Federal money. The Federal Government collects the money in the form of taxes and transmits it to the State treasury in the form of grants-in-aid. The State welfare department then spends it in its local communities under the discreet supervision of local politicians. I think that in much of Appalachia and, perhaps, over the Nation as a whole we are seeing a transfer of real power from Washington and the capitals to the county courthouse. We are building up a whole strain of pernicious political machines as bad as any

that Pendergast of Kansas City or Crump of Memphis ever ran. These machines exist on the necks of welfare voters and are financed directly out of the Federal Treasury."

This article appeared in the U.S. News & World Report and was reprinted in the Louisville Courier-Journal about a month or so ago, I guess, on May 10. And, unfortunately, sometimes it sounds a little bit like fantasy up in Washington when we are away from the situation that this kind of thing could exist, but I assure you that it is considerably less than fantasy and it is quite a grim reality down in Perry County.

The CHAIRMAN. How do they operate to build this machine, this political machine?

Mr. DRESSLER. As I said, Mr. Chairman, I was not prepared really to accuse anyone of doing any of this consciously. I think, really—

The CHAIRMAN. You are just charging it?

Mr. DRESSLER. Exactly. Really, it results, perhaps, as much from looseness in the way that the bill or the pilot program was administered and perhaps a slight fuzzing of the concept.

The CHAIRMAN. Aside from the charge that you have made here that people are asked to work where there is work, of course, the unfortunate thing is that the rate of pay is not what these employees formerly obtained, but do you not think that if there is work available at the going rate that it would be better for these people to do some work, rather than remain idle and let the Government take care of them?

Mr. DRESSLER. As I indicate, these people would much rather work than accept relief in any form.

The CHAIRMAN. I say if the locality is not capable of providing the work that they want, in other words, you said that the pay is from \$3 to \$10 a day?

Mr. DRESSLER. Yes, it is.

The CHAIRMAN. And you mean to tell me that some people object to that, they refuse to work for \$5 or \$6 or \$7 a day? I know that a lot of people in my area who are working would accept it.

Mr. DRESSLER. Perhaps Mr. Gibson could talk to you on that.

The CHAIRMAN. Will you give your name in full for the record?

STATEMENT OF BERMAN GIBSON, PRESIDENT, APPALACHIAN COMMITTEE FOR FULL EMPLOYMENT, HAZARD, KY.

Mr. GIBSON. Berman Gibson.

The CHAIRMAN. You live where?

Mr. GIBSON. Hazard, Ky.

The CHAIRMAN. What has been your occupation in the past?

Mr. GIBSON. A miner—I have been a miner all of my life.

The CHAIRMAN. How long have you been unemployed?

Mr. GIBSON. I have been unemployed about 2 years.

The CHAIRMAN. Two years?

Mr. GIBSON. Yes.

The CHAIRMAN. How much were you earning?

Mr. GIBSON. I was getting \$24.25 a day.

The CHAIRMAN. \$24.25?

Mr. GIBSON. That is the scale, the union pay. At this time it is \$25.25.

I would like to say on this food stamp plan that it is being handled by the county officials, and I am not making any statements accusing nobody or nothing—I am telling you just how it works. I think that a man should have suitable work. I think he should get a reasonable pay for his work. I think he should work. And I think when he works he should make enough to live on.

In the coal mines, and not receive food stamps. And I think a man, if he is forced to go in the coal mines should have some protection from the Federal Government with safety regulations and if he gets killed that he should have some compensation. In some of these mines they do not carry compensation. A man gets killed, and he is just a dead man. This is true in my county and in other counties around where it has happened. I think if a man is forced to go and work for \$3 to \$10 a day, and takes this money to buy food stamps, then we are subsidizing wages with food stamps.

Mr. DRESSLER. This, I think, is our biggest concern, that in effect the food stamps are being used to supplement the wages paid by private employers.

Mr. GIBSON. Yes.

Mr. DRESSLER. On these substandard jobs.

Mr. GIBSON. They take the money and buy the food stamps.

The CHAIRMAN. I would like to ask you this. You say that you have been unemployed for 2 years?

Mr. GIBSON. Yes.

The CHAIRMAN. Have you done any kind of work at all since that time—have you tried to get any work?

Mr. GIBSON. Yes. I am mostly disabled—I cannot take an examination now.

The CHAIRMAN. What is that?

Mr. GIBSON. I have a heart condition now—I cannot take the examination.

The CHAIRMAN. Are you on welfare?

Mr. GIBSON. No, no.

The CHAIRMAN. How do you live?

Mr. GIBSON. My wife has been working. She has now lost her job. The miners changed hospitals. She is out of work there.

The CHAIRMAN. How long ago has that been?

Mr. GIBSON. It has not been too long. She has been, I would say she has been off 3 months or maybe longer.

The CHAIRMAN. Could you have obtained any kind of employment since you lost your job?

Mr. GIBSON. No. It would be very difficult for me to get employment.

The CHAIRMAN. Why is that?

Mr. GIBSON. It would be difficult for me to get employment.

The CHAIRMAN. Did you receive any stamps?

Mr. GIBSON. No, I have never tried to get stamps.

The CHAIRMAN. You never tried?

Mr. GIBSON. I never tried to get stamps.

The CHAIRMAN. But you have wanted a job?

Mr. GIBSON. Yes. I would like to work if I could work.

The CHAIRMAN. And you want a job?

Mr. GIBSON. I want a job and I want decent wages.

The CHAIRMAN. You want a job at \$22 a day?

Mr. GIBSON. Well, you can get by on less than that, but I do not believe in a man working for \$3 a day and not be covered by mine safety regulations and maybe not have compensation. I think that he has to look out for his family, if he has a family, and I think that there should be a limit in this bill and that these things should be looked into. If the county officials handle them I am afraid to put them in the county officials in the county and have them handle them, and not put them in the hands of these county officials where they may be used for political purposes.

The CHAIRMAN. Of course, were you here yesterday?

Mr. DRESSLER. I was, yes, sir.

The CHAIRMAN. You heard that this program is going to be handled by the States, and the measure of the assistance will be based on what the recipient of the stamps spends ordinarily for food.

Mr. DRESSLER. Right.

The CHAIRMAN. That is the purpose of it?

Mr. DRESSLER. Yes.

The CHAIRMAN. How can you reach people in his case and the ones that you are talking about now—do you want the Government to simply go out and make an outright gift until they get jobs?

Mr. DRESSLER. Perhaps if I just put it in the perspective of what some of the people are now getting in the way of food stamps.

I know of many cases where people are making a token payment of \$2 and getting, as in the case of one family that I know of, a young man and his wife, two persons who pay \$2 for which they get \$22 worth of stamps.

The CHAIRMAN. Have you a specific case of that kind?

Mr. DRESSLER. Yes, sir.

Mr. GIBSON. Yes.

The CHAIRMAN. Could you furnish that to the committee?

Mr. DRESSLER. Yes, sir, I could. We have another.

The CHAIRMAN. Have you got that in your report that you are making here?

Mr. DRESSLER. I will be able to have it for you. I do not have it with me right now. I should be able to get it.

The CHAIRMAN. How soon could you send such a report to us?

Mr. DRESSLER. By Monday, sir.

The CHAIRMAN. Very well. I wish that you would give us any cases that you can.

(NOTE.—Mr. Dressler subsequently informed the committee he would be unable to supply the information requested above by June 22, but would submit it later.)

Mr. DRESSLER. Yes, sir.

The CHAIRMAN. Where the recipient pays a token, you say, of a few dollars and gets \$22 of stamps.

Mr. DRESSLER. Yes, sir. That is one.

The CHAIRMAN. What does that recipient do, to your knowledge—does he work?

Mr. DRESSLER. This particular man is a young man—he is about 20—he is not working—he has applied at the unemployment office in Hazard to find work. He has applied for job retraining but because of his lack of education he has been unable to even meet the requirements for admission into job retraining programs. He is not a

father, so that he does not qualify for any of the unemployed father benefits. And he has no support at all.

The CHAIRMAN. In other words, there is no base, I presume, to judge what should be given to him because if he is not on relief it would be pretty hard to say how much money he spends for food, because he has not got it to spend.

Mr. DRESSLER. Yes.

The CHAIRMAN. Is that his case?

Mr. DRESSLER. So far as I know he is on no other relief kind of program.

The CHAIRMAN. Do you know of any case wherein the recipient receives, let us say, \$100 a month by such methods as are used, where the State officials make him pay a token payment and give him a large sum?

Mr. DRESSLER. No, sir. I am afraid that I do not know of any with that specific combination of circumstances.

The CHAIRMAN. Because as I understand the operation of the pilot program, these stamps are made available in a certain amount, depending on what the recipient spends for food.

Mr. DRESSLER. Yes, sir.

The CHAIRMAN. If he spends \$30, let us say, per month, why you take those \$30 and buy food stamps and he receives probably 30 percent, maybe 40 percent more in stamps; in other words, he can buy 40 percent more food with the stamps than he could with his own money.

Mr. DRESSLER. Yes, sir.

The CHAIRMAN. That is the way this program is supposed to operate.

Mr. DRESSLER. As I understand it in cases like the one mentioned, the man probably has not enough money at all to pay more than \$2.

The CHAIRMAN. Mr. Davis, what do you do in a case like that? Here is a young couple that is not employed—how would you treat a case of that kind?

Mr. DAVIS. Exactly as he has related it, recognizing that there are instances where families just do not have any income, they have been living maybe by handouts from friends or maybe from the church which has been helping them out a little bit and they have absolutely no income, there is no justification for charging them any given amount for the food stamps. They need their total food. But recognizing that in this program one of the basic principles is that the family itself should contribute something, we do have this provision for a token charge. And a family of two, as he has related, would pay \$2 as just the token charge and receive the balance of the \$22 in free coupons.

The CHAIRMAN. Now, your reason for doing that is because they are unable to be employed?

Mr. DAVIS. Yes.

The CHAIRMAN. And they have no resources of their own?

Mr. DAVIS. That is correct.

The CHAIRMAN. And you have made it possible for people in that category to receive some assistance?

Mr. DAVIS. Yes, sir. It would be grossly unfair if we helped a family with \$100 income and here is another family with absolutely none. We cannot deny the program to that family.

The CHAIRMAN. Are you familiar with the charge just made that this program is being used by local people in order to force them to

work in the mines at very low rates of pay? And which would inure to the benefit of the operators of the mines?

Mr. DAVIS. There is a State law in Kentucky, Mr. Chairman, which requires that any recipient of any aid of any kind if offered suitable employment and he refuses, shall be denied assistance. This is a State law and it works statewide. It is not a county law.

In the administration of that there may be some counties who vary in their interpretations. We are aware of this situation but we feel that this is completely a State matter and not one that can be taken care of through this piece of legislation. The State law covers all forms of assistance to these families.

On the other inference in that statement that there are, perhaps, some political shenanigans on the local level in issuing these coupons, we have found absolutely no evidence of that in Kentucky. The administration of the program is under the welfare department which is supervised by the State welfare department. It is not determined by the local county judge who is the local administrative official in the county. It is a State agency administered program.

If I could just say one word further, in view of some of the earlier comments, we do have very careful Federal supervision clear down to the local levels. We have a Federal U.S. Department of Agriculture office for these four counties in Kentucky located right in the area and we do review what the counties do in the way of certification to insure that they are careful and that they review their certifications periodically. And then we, also, of course, are working directly with the grocery stores so I think that in the administration of the program in Perry County, that it is clean. This is not to say one way or the other as to the merits of the State law which compels a man to accept a job if it is available and if he does not accept it he is not eligible.

The CHAIRMAN. That is something that you cannot overcome, of course.

Mr. DAVIS. Yes.

The CHAIRMAN. You are abiding by the State law?

Mr. DAVIS. By the State law; yes, sir.

The CHAIRMAN. And since the State is the administrative agency—I mean since the State administers the program you would have no say in that?

Mr. DAVIS. Yes, sir. We feel that is a State matter.

The CHAIRMAN. Well, now, these gentlemen have agreed to send us a report on cases next Monday. I wonder if you would take that report and give us your reply to it?

Mr. DAVIS. We will be very happy to do so.

The CHAIRMAN. I would like to have that in hand, if I can, not later than Tuesday at noon, June 23, so that we can have that picture.

I do not want charges to be made here and to remain in the record unanswered or unnoticed. I can well see that if the laws of Kentucky provide that no one shall receive relief if they are able to obtain work, that they shall not receive help. It may be that the work is not what the people are used to, but it strikes me that people who are unemployed should be, at least, willing to do such work as is available, even though it is on a temporary basis, in order to qualify. If that is a State law, I can readily see why a condition like this would occur.

(NOTE.—The report by Mr. Dressler had not been received by the committee prior to printing of the record.)

Mr. GIBSON. I may be wrong but I think they should have a State law in Kentucky where the wages should be \$1.25 an hour.

The CHAIRMAN. That is only recently the law. It may be in the next 2 weeks.

Mr. DRESSLER. I believe so.

The CHAIRMAN. It was \$1 for a certain period and now it is \$1.25 in the last 2 or 3 weeks, I think.

Mr. DRESSLER. In so doing, it seems to us that the Government has recognized that the men should not be obliged to work for these poverty wages of less than \$1.25 an hour.

The CHAIRMAN. I know that in my State, we had a number of fishermen who were unable to catch fish, not now but last year. Do you expect the Government, because they cannot catch fish, to feed them until the fish are there?

Mr. DRESSLER. I am not familiar with that situation.

The CHAIRMAN. In Kentucky at the time when John Lewis was the king there—and I do not want to get into any arguments about why the coal people got out of business—but the cost of producing coal because of the high wages was so great that it paid to change to oil and gas so that the coal miners just got out of business. That is something that you cannot regulate.

Mr. DRESSLER. There are a number of other factors in there.

The CHAIRMAN. It is very unfortunate there, but that is the price that you must pay for progress. You take before the automobiles came into being, why you had a lot of fine workmen who built the carriages and you had a lot of people raising horses. I have 13 grandchildren now and I doubt if they see many horses very often because of this being the automobile age. We are living in an age now where you cannot look back and say, "Well, now, I was getting \$22.50 a day as a miner and I ought to continue to get that in another job that I might get."

That is something that I sympathize with, those who have been placed in that plight. But yet, certainly, if there is any kind of job whatever available that is decent and in which the wage is \$1.25 or \$1 an hour, personally I think I would rather do that than just loaf.

Mr. DRESSLER. I would agree. You did use the word decent and you used the figure of \$1.25 an hour, which is now the Federal minimum wage. We would certainly not have any objection to people accepting employment at that wage.

The CHAIRMAN. I think that is the law now.

Mr. DRESSLER. It is.

The CHAIRMAN. And if it is not being paid you can report it to the officials here and they will see that it is carried out.

Mr. DRESSLER. Yes, but it is very difficult for them to enforce it.

The CHAIRMAN. If you need any assistance in that direction it is right here where you can get it, from Mr. Davis. And these people offered these jobs, they ought to be given the wage at the current minimum wage. I mean if the job is within the purview of the law, of course.

Mr. GIBSON. They way I look at this, of course, we do not all see alike, is that we are helping the man, that is, are we helping the man who needs the help or are we helping the man who is in business?

This is the man who is making wages to buy the food stamps because he is getting them. They make him buy the food stamps. This is

the way I look at this thing. I worked in the coal mines and I got mashed up. I know what a coal mine is. I ran a machine. I know what it is. There is not any decent work to coal mining, I want you to know.

The CHAIRMAN. I know that. I was not in that profession myself. All I did was to visit a coal mine. Of course, when the people get used to such employment, why they live with it. You take, for example, in Poland, I visited the coal mines in Poland and I visited some in various parts of the world, and they seem to like it, that is, the workers. You could not get them to work anywhere else.

When a lot of the Italians and the Poles came here to work, they worked in the coal mines because they liked the work.

The point is, though, that when a community is so unfortunate as to lose its mines, that is, its mine business, which is its main work, its main source of income, if that goes out, why, it is disastrous. However, there should be enough ingenuity in the locality to try to do something about it. And if there is not anything to be done about it, you have got other places to go.

Mr. GIBSON. On this Federal money angle, the poverty program, to give you a little example of how they work on these food stamp programs, they work them so many hours a month and then cut them off. And then you wait until the next month. That is the way it is going on.

The CHAIRMAN. The reason for that is to establish a base so that you can qualify for the program.

You said that you had the case where this couple made a contribution of \$2 for which they received \$20 in food stamps. That is pretty hard for a couple to live on, \$22 a month.

Mr. DRESSLER. Yes.

The CHAIRMAN. You used to get that per day and they get it per month now.

Mr. GIBSON. Yes.

The CHAIRMAN. In other words, this program is not to be considered a program to just simply feed people because they cannot get work. That is not what it is supposed to be.

If you listened to the testimony yesterday, you heard that since the State administers it, it is supposed to be operated on the basis of trying to supplement the food purchasing power of the people on relief. We have a lot of people on relief all over the country. And if they receive a relief check, say, of \$50 a month or \$100 a month, and they can show that they paid per month \$30 for food, this affords them the opportunity of being given the chance to turn over the \$30 to the State agency and in turn they will have, probably, \$40 food stamps to buy food with.

Mr. GIBSON. Some of these people apply for food stamps and they will say, "How much income have you got?" "I have got no income." "Don't tell me that, you have got income." And these people get up and walk out. They have no income whatsoever. They will sit and listen to being accused of something that they are not guilty of. They get up and walk out. I can bring you sworn statements of that. I have them here and will have them here Monday.

The CHAIRMAN. You mean they do not get anything?

Mr. GIBSON. They do not get anything. This man has not gotten anything for about 3 months now.

The CHAIRMAN. I presume that the State authorities there are the one that are the judges of this. I doubt that the Federal Government should enter into the picture.

Mr. GIBSON. Let me say this, we want to see industry, something for the people to work at. This thing will not help nobody. We need these food stamps. These people need them. They have to have something to eat. We need to have something to work at. The people in the mountains have pride. I think they ought to be allowed to work. As long as this continues to drag on like it is and goes on like it is, they will still be in the gutter.

The CHAIRMAN. Is there anything else?

If not, we thank you.

Mr. DRESSLER. Thank you, Mr. Chairman.

The CHAIRMAN. Does anybody else desire to be heard?

If not, the hearings are closed and the committee will permit the filing of additional statements not later than noon on next Tuesday, June 23.

The committee will stand in adjournment.

(Whereupon, at 10 :25 a.m. the hearing was closed.)



LEGISLATIVE HISTORY

Public Law 88-525

H. R. 10222

TABLE OF CONTENTS

Index and summary of H. R. 10222.....	1
Digest of Public Law 88-525.....	2

INDEX AND SUMMARY OF H. R. 10222

Apr.	22, 1963	Rep. Sullivan introduced and discussed H. R. 5733 which was referred to the House Agriculture Committee. Print of bill and remarks of author.
Apr.	26, 1963	Sen. Ellender introduced S. 1387 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced.
June	11, 1963	Rep. Sullivan inserted a press release on her testimony in support of H. R. 5733.
Aug.	14, 1963	House subcommittee voted to report H. R. 5733 to the full committee.
Aug.	15, 1963	Rep. Sullivan introduced H. R. 8107 which was referred to the House Agriculture Committee. Print of bill as introduced.
Feb.	4, 1964	House committee voted to table H. R. 8107.
Mar.	3, 1964	Rep. Sullivan introduced H. R. 10222 which was referred to the House Agriculture Committee. Print of bill as introduced.
Mar.	4, 1964	House committee voted to report H. R. 10222.
Mar.	9, 1964	House committee reported H. R. 10222 with amendment. H. Report No. 1228. Print of bill and report.
Mar.	19, 1964	House Rules Committee granted an open rule on H. R. 10222.
Mar.	24, 1964	House Rules Committee reported resolution for consideration of H. R. 10222.
Apr.	7, 1964	House began debate on H. R. 10222.
Apr.	8, 1964	House passed H. R. 10222 with amendments.
Apr.	9, 1964	H. R. 10222 was referred to the Senate Agriculture and Forestry Committee.
May	6, 1964	Rep. Alger criticized H. R. 10222.
June	29, 1964	Senate committee reported H. R. 10222 with amendments. S. Report No. 1124. Print of bill and report.
June	30, 1964	Senate passed H. R. 10222 with amendments.

Senate conferees were appointed.

INDEX AND SUMMARY OF H. R. 10222, cont'd

July 2, 1964 Rep. Williams objected to request for consideration of H. R. 10222.

July 23, 1964 Rep. Jones, Mo., objected to Rep. Cooley's request for House concurrence to Senate amendments to H. R. 10222.

Rep. Gross objected to sending bill to conference.

Aug. 11, 1964 House concurred in Senate amendments to H. R. 10222.

Aug. 31, 1964 Approved: Public Law 88-525.

President's statement when signing bill.

Hearings: H. Agriculture Committee on H. R. 5733, June 1963, Serial O.

S. Agriculture and Forestry Committee on H. R. 10222, June 1964.

DIGEST OF PUBLIC LAW 88-525

THE FOOD STAMP ACT OF 1964.

Authorizes the Secretary of Agriculture to formulate and administer a food stamp program under which, at the request of an appropriate State agency, eligible households within the State shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than their normal expenditures for food. Authorizes each State to establish standards, subject to the approval of the Secretary, to determine the eligibility of applicant households to participate in the program. Requires the States to be responsible for certification of applicant households and for the issuance of coupons. Provides that coupons received by eligible households shall be used only to purchase designated food from retail food stores approved for participation in the program. Provides that households shall be charged such portion of the face value of the coupon allotment issued to them as is determined to be equivalent to their normal expenditures for food, and that funds derived from the charges made for the coupon allotment shall be deposited in a separate account in the U. S. Treasury for redemption of the coupons. Provides that coupons accepted by retail food stores shall be redeemed through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department. Establishes criteria for determining the share of Federal payments to State agencies for administration of the program. Authorizes the appropriation of not to exceed \$75 million for fiscal year 1965, \$100 million for fiscal year 1966, and \$200 million for fiscal year 1967, to carry out this program.

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88TH CONGRESS
1ST SESSION

H. R. 5733

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 1963

Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a program of food assistance to be operated through normal channels of trade; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as "The Food Stamp Act of
4 1963".

DECLARATION OF POLICY

6 SEC. 2. It is hereby declared to be the policy of Con-
7 gress, in order to promote the general welfare, that the

1 Nation's abundance of food should be utilized to the maxi-
2 mum extent practicable to safeguard the health and well-
3 being of the Nation's population and raise levels of nutrition
4 among economically needy households. The Congress
5 hereby finds that increased utilization of foods in establishing
6 and maintaining adequate national levels of nutrition will
7 tend to cause the distribution in a beneficial manner of our
8 agricultural abundances and will strengthen our agricultural
9 economy, as well as result in more orderly marketing and
10 distribution of food. To effectuate the policy of Congress and
11 the purposes of this Act, a food stamp program, which will
12 permit those households in economic need to receive a
13 greater share of the Nation's food abundance, is herein
14 authorized.

15 DEFINITIONS

16 SEC. 3. As used in this Act—

17 (a) The term "Secretary" means the Secretary of
18 Agriculture.

19 (b) The term "food" means any food or food product
20 for human consumption other than alcoholic beverages and
21 tobacco.

22 (c) The term "coupon" means any coupon, stamp, or
23 type of certificate issued pursuant to the provisions of this
24 Act.

25 (d) The term "coupon allotment" means the total value

1 of coupons to be issued to a household during each month or
2 other time period.

3 (e) The term "household" shall mean a group of re-
4 lated or nonrelated individuals, who are not residents of an
5 institution or boarding house, but are living as one economic
6 unit sharing common cooking facilities and for whom food
7 is customarily purchased in common. The term "household"
8 shall also mean a single individual living alone who has cook-
9 ing facilities and who purchases and prepares food for home
10 consumption.

11 (f) The term "retail food store" means an establishment,
12 including a recognized department thereof, or a house-to-
13 house trade route which sells food to households for home
14 consumption.

15 (g) The term "wholesale food concern" means an
16 establishment which sells food to retail food stores for resale
17 to households.

18 (h) The term "State agency" means the agency of the
19 State government which has responsibility for the admin-
20 istration of the federally aided public assistance programs.

21 (i) The term "bank" means member or nonmember
22 banks of the Federal Reserve System.

23 (j) The term "State" means the fifty States and the
24 District of Columbia.

1 (k) The term "food stamp program" means any pro-
2 gram promulgated pursuant to the provisions of this Act.

3 ESTABLISHMENT OF THE FOOD STAMP PROGRAM

4 SEC. 4. (a) The Secretary shall formulate and ad-
5 minister a food stamp program under which eligible
6 households shall be provided with an opportunity more nearly
7 to obtain a nutritionally adequate diet through the
8 issuance to them of a coupon allotment which shall have a
9 greater monetary value than their normal expenditures for
10 food as determined by the Secretary. The coupons so re-
11 ceived by such households shall be used only to purchase
12 food from retail food stores which have been approved for
13 participation in the food stamp program. Coupons issued
14 and used as provided in this Act shall be redeemable at face
15 value by the Secretary through the facilities of the Treasury
16 of the United States.

17 (b) The Secretary shall, from time to time, issue such
18 regulations, not inconsistent with this Act, as he deems
19 necessary or appropriate for the effective and efficient
20 administration of the food stamp program.

21 ELIGIBLE HOUSEHOLDS

22 SEC. 5. (a) Households eligible to participate in the
23 food stamp program shall be those whose economic status
24 is such as to be a substantial limiting factor in the attain-
25 ment of a nutritionally adequate diet.

1 (b) Each State shall establish standards to determine
2 the eligibility of applicant households which standards,
3 among other things, shall take into account such of the
4 factors used by each State in granting assistance under the
5 federally aided public assistance programs as the Secretary
6 determines will tend to effectuate the purposes of the food
7 stamp program. The standards of eligibility to be used by
8 each State for the food stamp program shall be subject to the
9 approval of the Secretary.

10 ISSUANCE AND USE OF COUPONS

11 SEC. 6. (a) The Secretary shall cause coupons to be
12 printed in such denominations as he may determine, and
13 shall make provision for their issuance only to households
14 which have been duly certified as eligible to participate in
15 the food stamp program.

16 (b) Coupons issued to eligible households shall be used
17 by them only to purchase food in retail food stores which
18 have been approved for participation in the food stamp
19 program.

20 VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE

21 MADE

22 SEC. 7. (a) The face value of the coupon allotment which
23 the Secretary shall authorize State agencies to issue to house-
24 holds certified as eligible to participate in the food stamp
25 program shall be in such amount as will provide such house-

1 holds with an opportunity more nearly to obtain a nutri-
2 tionally adequate diet.

3 (b) Households shall be charged such portion of the
4 face value of the coupon allotment issued to them as the
5 Secretary determines is equivalent to their normal expendi-
6 tures for food.

7 (c) The value of the coupon allotment provided to
8 any eligible household which is in excess of the amount
9 charged such households for such allotment shall not be
10 considered to be income or resources for any purpose under
11 any Federal or State laws including but not limited to, laws
12 relating to taxation, welfare, and public assistance programs.

13 (d) Funds derived from the charges made for the
14 coupon allotment shall be promptly deposited in a manner
15 prescribed by the Secretary in the regulations issued pur-
16 suant to this Act, in a separate account maintained in the
17 Treasury of the United States for such purpose. Such de-
18 posits shall be available, without limitation to fiscal years,
19 for the redemption of coupons.

20 APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD

21 CONCERNS

22 SEC. 8. (a) The Secretary shall provide in the regula-
23 tions issued pursuant to this Act for the submission of appli-
24 cations for approval by retail food stores and wholesale food
25 concerns which desire to participate in the food stamp program

1 and shall approve those applicants whose participation he
2 determines will effectuate the purposes of the food stamp
3 program. In determining the qualifications of applicants
4 the Secretary shall consider, among such other factors as
5 he may deem appropriate, the following: (1) the nature
6 and extent of the retail or wholesale food business conducted
7 by the applicant; (2) the volume of coupon business which
8 may reasonably be expected to be conducted by the applicant
9 retail food store or wholesale food concern; and (3) the
10 business integrity and reputation of the applicant. Approval
11 of an applicant shall be evidenced by the issuance to such
12 applicant of a nontransferable certificate of approval.

13 (b) The Secretary shall in the regulations issued pur-
14 suant to this Act, require an applicant retail food store or
15 wholesale food concern to submit information which will en-
16 able him to determine whether such applicant qualifies, or
17 continues to qualify, for approval under the provisions of this
18 Act or the regulations issued pursuant to this Act. The Sec-
19 retary shall provide in the regulations issued pursuant to this
20 Act for safeguards which restrict the use or disclosure of in-
21 formation obtained under the authority granted by this sub-
22 section to purposes directly connected with administration
23 and enforcement of the provisions of this Act or the regula-
24 tions issued pursuant to this Act.

25 (c) Any retail food store or wholesale food concern

1 which has failed upon application to receive the approval of
2 the Secretary to participate in the food stamp program may
3 obtain a hearing on such refusal as provided in section 13 of
4 this Act.

5 REDEMPTION OF COUPONS

6 SEC. 9. In the regulations issued pursuant to this Act,
7 the Secretary shall provide for the redemption of coupons
8 accepted by retail food stores through approved wholesale
9 food concerns or through banks, with the cooperation of the
10 Treasury Department.

11 ADMINISTRATION

12 SEC. 10. (a) In the formulation and administration of
13 the food stamp program, the Secretary is authorized to enlist
14 the cooperation of existing Federal, State, local, or private
15 agencies and may utilize such agencies in the undertaking of
16 an educational program to encourage the purchase of foods
17 available in abundant supply or those most needed in diets,
18 and to improve nutritional knowledge of households par-
19 ticipating in the program.

20 (b) The Secretary may exercise any power, duty, or
21 discretion vested in him under this Act through such person
22 or persons as he may designate.

23 (c) The State agency of each participating State shall
24 assume responsibility for the certification of applicant house-
25 holds and for the issuance of coupons: *Provided*, That the

1 State agency may, subject to approval by the Secretary,
2 delegate its responsibility in connection with the issuance of
3 coupons to another agency of the State government. There
4 shall be kept such records as the Secretary may determine
5 are necessary for him to ascertain whether the program is
6 being conducted in compliance with the provisions of this
7 Act and the regulations issued pursuant to this Act. Such
8 records shall be available for inspection and audit by the
9 Secretary at any reasonable time and shall be preserved for
10 such period of time, not in excess of three years, as the
11 Secretary determines is necessary or appropriate.

12 (d) In the administration of the food stamp program
13 the State agency shall not discriminate against any house-
14 hold by reason of race, religious creed, national origin, or
15 political beliefs.

16 (e) Participating States or participating political sub-
17 divisions thereof shall not decrease welfare grants or other
18 similar aid extended to any person or persons as a conse-
19 quence of such person's or persons' participation in benefits
20 made available under the provisions of this Act or the
21 regulations issued pursuant to this Act.

22 (f) The State agency of each State desiring to par-
23 ticipate in the food stamp program shall submit for the
24 approval of the Secretary a plan of operation specifying

1 the manner in which such program will be conducted within
2 the State, the political subdivisions within the State in which
3 the State desires to conduct the program, and the effective
4 dates of participation by each such political subdivision.
5 In addition, such plan of operation shall provide, among such
6 other provisions as the Secretary may by regulation require,
7 the following: (1) the specific standards to be used in
8 determining the eligibility of applicant households; (2)
9 that the State agency shall undertake the certification of
10 applicant households in accordance with the general proce-
11 dures and personnel standards used by them in the
12 certification of applicants for benefits under the federally
13 aided public assistance programs; (3) safeguards which
14 restrict the use or disclosure of information obtained from
15 applicant households to persons directly connected with the
16 administration or enforcement of the provisions of this Act
17 or the regulations issued pursuant to this Act; and (4) for
18 the submission of such reports and other information as the
19 Secretary may from time to time require.

20 (g) If the Secretary determines that in the administra-
21 tion of the program there is a failure by a State agency to
22 comply substantially with the provisions of this Act, or with
23 the regulations issued pursuant to this Act, or with the State
24 plan of operation, the Secretary shall inform such State

1 agency of such failure and shall allow the State agency a
2 reasonable period of time for the correction of such failure.
3 Upon the expiration of such period, the Secretary may re-
4 quire that there be no further issuance of coupons in the
5 political subdivisions where such failure has occurred until
6 such time as corrective action satisfactory to the Secretary
7 has been taken.

8 DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLE-

9 SALE FOOD CONCERNS

10 SEC. 11. Any approved retail food store or wholesale
11 food concern may be disqualified from further participation
12 in the food stamp program, on a finding by the Secretary
13 that such store or concern has violated any of the provisions
14 of this Act, or of the regulations issued pursuant to this Act.
15 Such disqualification shall be for such period of time as the
16 Secretary may determine. The action of disqualification
17 shall be subject to review as provided in section 13 of this
18 Act: *Provided*, That, notwithstanding any of the other pro-
19 visions of this section or of section 13 of this Act, if the
20 Secretary has reason to believe that a serious or flagrant
21 violation of this Act or of the regulations issued pursuant to
22 this Act, has occurred or that there are facts or circumstances
23 of a nature which indicate a lack of ability or willingness on
24 the part of such store or concern to carry out properly the

1 provisions of the program, he may suspend such store or
2 concern without advance notice or hearing for such period,
3 not in excess of 90 days, as may be required to complete
4 an investigation and take such administrative action as may
5 be found appropriate by the Secretary. Such suspension
6 action shall not constitute a final determination for the pur-
7 pose of section 13 of this Act.

8 DETERMINATION AND DISPOSITION OF CLAIMS

9 SEC. 12. The Secretary shall have the power to deter-
10 mine the amount of and settle and adjust any claim and to
11 compromise or deny all or part of any such claim or claims
12 arising under the provisions of this Act or the regulations
13 issued pursuant to this Act.

14 ADMINISTRATIVE AND JUDICIAL REVIEW

15 SEC. 13. Whenever the Secretary (a) determines that
16 a retail food store or a wholesale food concern should not
17 be approved to participate in the food stamp program,
18 (b) disqualifies a retail food store or a wholesale food con-
19 cern under the provisions of section 11 of this Act, or (c)
20 directs the denial, under the provisions of section 12 of this
21 Act, of all or part of any claim of a retail food store or whole-
22 sale food concern, he shall cause notice of such administra-
23 tive action to be issued to the retail food store or wholesale
24 food concern involved. Such notice shall be delivered by
25 certified mail or personal service. If such store or concern

1 is aggrieved by the action of the Secretary, it may, in accord-
2 ance with regulations promulgated by the Secretary, within
3 ten days of the date of delivery of such notice, file a written
4 request for an opportunity to submit information in support
5 of its position to such person or persons as the Secretary may
6 designate. If such a request is not made or if such store
7 or concern fails to submit information in support of its posi-
8 tion after filing a request, the administrative determination
9 of the Secretary shall be final. If such a request is made by
10 such store or concern, such information as may be submitted
11 by the store or concern, as well as such other information
12 as may be available to the Secretary, shall be reviewed by
13 the person or persons designated by the Secretary, who shall,
14 subject to the right of judicial review hereinafter provided,
15 make a determination which shall be final. If the store or
16 concern feels aggrieved by such final determination of the
17 person or persons designated by the Secretary he may obtain
18 judicial review thereof, without regard to the amount in con-
19 troversy, by filing a complaint against the United States
20 in the United States district court for the district in which
21 he resides or is engaged in business within thirty days after
22 the date of delivery or service of the final notice of deter-
23 mination upon him, requesting the court to set aside such de-
24 termination. Service of process in such action shall be made
25 in accordance with the rules of the service of process upon

1 the United States as prescribed by the Rules of Civil Pro-
2 cedure for the United States District Courts. The copy of
3 the summons and complaint required to be delivered to the
4 official or agency whose order is being attacked shall be sent
5 to the Secretary or such person or persons as he may desig-
6 nate to receive service of process. The action in the United
7 States district court shall be a trial de novo by the court
8 without a jury, in which the court shall determine the
9 validity of the questioned administrative action in issue. If
10 the court determines that such administrative action is in-
11 valid it shall enter such judgment or order as it determines
12 is in accordance with the law and the evidence. During the
13 pendency of such judicial review, or any appeal therefrom,
14 the administrative action under review shall be and remain
15 in full force and effect, unless an application to the court on
16 not less than ten days notice, and after hearing thereon and
17 a showing of irreparable injury, the court temporarily stays
18 such administrative action pending disposition of such trial
19 or appeal.

20 VIOLATIONS AND ENFORCEMENT

21 SEC. 14. (a) Notwithstanding any other provisions of
22 this Act, the Secretary may provide for the issuance or pre-
23 sentment for redemption of coupons to such person or per-
24 sons, and at such times and in such manner, as he deems
25 necessary or appropriate to protect the interests of the

1 United States or to insure enforcement of the provisions
2 of this Act or the regulations issued pursuant to this Act.

3 (b) In addition to the jurisdiction vested in the United
4 States district courts by section 13 of this Act, such courts
5 are hereby severally vested with jurisdiction specifically to
6 enforce, and to prevent and restrain any person from violat-
7 ing, the provisions of this Act or the regulations issued pur-
8 suant to this Act. If and when the Secretary shall so request,
9 it shall be the duty of the several United States attorneys in
10 their respective districts, acting under the direction of the
11 Attorney General, to institute proceedings to enforce the
12 remedies provided for in this Act or the regulations issued
13 pursuant to this Act, to represent the United States in any
14 action for judicial review of any final administrative determi-
15 nation made under the provisions of section 13 of this Act,
16 or to effect collection of any claims or indebtedness deter-
17 mined to be due the United States by the Secretary under
18 the provisions of this Act or the regulations issued pursuant
19 to this Act.

20 (c) Whoever knowingly uses, transfers, acquires, or
21 possesses coupons in any manner not authorized by this Act
22 or the regulations issued pursuant to this Act shall, if such
23 coupons are of the value of \$100 or more, be guilty of a
24 felony and shall, upon conviction thereof, be fined not more
25 than \$10,000 or imprisoned for not more than five years, or

1 both, or, if such coupons are of a value of less than \$100,
2 shall be guilty of a misdemeanor and shall, upon conviction
3 thereof, be fined not more than \$5,000 or imprisoned for not
4 more than one year, or both.

5 (d) Whoever presents, or causes to be presented,
6 coupons for payment or redemption of the value of \$100
7 or more, knowing the same to have been received, trans-
8 ferred, or used in any manner in violation of the provisions
9 of this Act or the regulations issued pursuant to this Act
10 shall be guilty of a felony and shall, upon conviction thereof,
11 be fined not more than \$10,000 or imprisoned for not more
12 than five years, or both, or, if such coupons are of a value
13 of less than \$100, shall be guilty of a misdemeanor and shall,
14 upon conviction thereof, be fined not more than \$5,000 or
15 imprisoned for not more than one year, or both.

16 (e) Coupons issued pursuant to this Act shall be
17 deemed to be obligations of the United States within the
18 meaning of title 18, United States Code, section 8.

19 PAYMENTS TO STATE AGENCIES

20 SEC. 15. The Secretary is authorized, in accordance
21 with the formula specified in this section, to make payments
22 to State agencies for the purpose of reimbursing such agencies
23 for part of the costs incurred in the certification of those
24 households which are not receiving benefits under the fed-
25 erally aided public assistance programs. The amount of

1 such payment to any one State agency shall be 50 per
2 centum of the sum of: (1) the direct salary costs (includ-
3 ing the cost of such fringe benefits as are normally paid to
4 its personnel by the State agency) of the personnel used to
5 make such interviews and such postinterview field investiga-
6 tions as are necessary to certify the eligibility of such house-
7 holds, and of the immediate supervisor of such personnel, for
8 such periods of time as they are employed in certifying the
9 eligibility of such households; (2) travel and related costs
10 incurred by such personnel in postinterview field investiga-
11 tions of such households; and (3) an amount not to exceed
12 25 per centum of the costs computed under (1) and (2)
13 above.

14 APPROPRIATIONS

15 SEC. 16. (a) There are hereby authorized to be ap-
16 propriated such sums as may be necessary to carry out the
17 provisions of this Act. Such portion of any such appropria-
18 tion as may be required to pay for the value of the coupon
19 allotments issued to eligible households which is in excess
20 of the charges paid by such households for such allotments
21 shall be transferred to and made a part of the separate
22 account created under section 7 (d) of this Act.

23 (b) In any fiscal year, the Secretary shall limit the
24 value of those coupons issued which is in excess of the value
25 of coupons for which households are charged, to an amount

1 which is not in excess of the portion of the appropriation
2 for such fiscal year which is transferred to the separate
3 account under the provisions of subsection (a) of this
4 section.

5 (c) If the Secretary determines that any of the funds
6 in the separate account created under section 7 (d) of this
7 Act are no longer required to carry out the provisions of this
8 Act, such portion of such funds shall be paid into the mis-
9 cellaneous receipts of the Treasury.

A BILL

To strengthen the agricultural economy ; to help to achieve a fuller and more effective use of food abundances ; to provide for improved levels of nutrition among economically needy households through a program of food assistance to be operated through normal channels of trade ; and for other purposes.

By Mrs. SULLIVAN

APRIL 22, 1963

Referred to the Committee on Agriculture

to be a Nation of readers every week of every year.

INTRODUCTION OF H.R. 5733, ADMINISTRATION BILL TO AUTHORIZE FUNDS FOR NATIONWIDE FOOD STAMP PROGRAM

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentlewoman from Missouri [Mrs. SULLIVAN] is recognized for 30 minutes.

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks and to include extraneous material and the text of H.R. 5733.)

Mrs. SULLIVAN. Mr. Speaker, I have today introduced H.R. 5733, the Kennedy administration bill to authorize funds for a nationwide food stamp program similar to the program now in operation on a pilot basis in 31 of our cities and counties.

I have battled for such a nationwide program for 9 years, since introducing my first bill on this subject in the second session, my first term in Congress. The issue came to a vote several times; and in 1959, Congress, for the first time, agreed to the idea of a food stamp plan. I shall never forget the help I received at that time from so many of the Members of the House, including the present Speaker, and including particularly, the chairman of the House Committee on Agriculture, the gentleman from North Carolina, HAROLD D. COOLEY.

Thus, I was deeply touched and most grateful when the gentleman from North Carolina, Chairman COOLEY, deferred to me in the matter of sponsorship of this administration measure, which normally would carry his name as the chairman of the committee which will consider it. It is one of the most flattering things which has ever occurred to me in the House—that a committee chairman would so gallantly step aside to allow a Member not even on his committee to introduce what I am sure will be one of the most popular of the Kennedy administration measures to be acted upon in this Congress.

WHY A NEW BILL IS NEEDED

Let me explain why a bill is necessary. The legislation we passed in 1959 would have provided authority for only 2 years for a program which consisted of distributing only those foods found by the Secretary of Agriculture to be in surplus in any 1 month. This authority was never used by the previous administration.

The Kennedy administration is operating the present pilot food stamp projects, which include all domestic foods sold in grocery stores, under the general authority of section 32, of Public Law 320, 74th Congress, using money earmarked from customs receipts for removal from the market of surplus agricultural commodities. If the food stamp plan were to be permanently limited in scope only to a size which could be financed entirely by section 32 money, there would be no need for additional fund authorizations.

But to extend the plan nationally would take all of the money now provided for each year under section 32—money used now for a variety of surplus removal programs. There would then be no section 32 funds left over for school lunch purposes, or removal of surplus perishables on an emergency basis.

Thus, new enabling legislation is necessary to authorize appropriation of the full amount of funds needed to extend the food stamp plan nationally. This is estimated to cost about \$360 million a year, although much of this cost would be offset by savings elsewhere in the Department budget. If this bill becomes law, funds would then be appropriated in the regular departmental appropriation bill each year for the food stamp plan rather than be drawn, as now, out of section 32 money.

SUPERIORITY OVER DIRECT DISTRIBUTION SYSTEM

Over a period of years, I tried to persuade the Eisenhower administration to adopt the food stamp method of distribution of surplus food to the needy, through the regular grocery stores, in preference to the direct method of distribution which resulted in so much expense to local communities participating, so little help to the needy, and so many opportunities for abuse. But the previous administration insisted the food stamp approach was terribly wrong, and less efficient, and more costly, and not nearly as effective as the direct method of distribution. The former Secretary of Agriculture flatly refused to consider a food stamp method of distribution, even after Congress, in 1959, passed my bill as an amendment to Public Law 480, authorizing, for 2 years, a limited program which would have been restricted to just those foods determined by the Secretary to be in surplus in any month.

Mr. Speaker, I am proud as a member of President Kennedy's party that his first Executive order on becoming President was to order a better method of distribution of surplus foods to the needy, and addition of a greater variety of foodstuffs to the distribution list each month—more of the foods which would have been included under the food stamp program passed by Congress. Shortly thereafter he agreed to ask the Secretary of Agriculture to institute a series of pilot food stamp operations to determine if a food stamp plan were feasible and more effective than the direct distribution programs.

The success of the pilot plan operations has been outstanding. It is true that in every new area where the plan has been instituted—including my own city of St. Louis—many problems arose in connection with the certification of eligibles, and the requirements instituted by the Secretary of Agriculture for purchase by recipients of food stamps equal in value to their normal expenditures for food, in order to receive additional stamps free.

Many of those eligible for participation complained that the requirements on stamp purchases were far too rigid, and did not take into consideration unusually

high costs for individual families, such as rent, medical expenses, and so on. I am pleased to report that these problems are being worked out—I hope satisfactorily for all concerned—and if there is still too much rigidity in the regulations, they can be further improved and amended.

NOT A DISGUISED INCREASE IN INCOME

The food stamp plan has come as something of an unhappy development for those who had hoped it would make available to them more money out of their limited incomes to spend on things other than food. As the Department of Agriculture has tried to make clear, the plan is, by law, a method of increasing food consumption among those families not enjoying an adequate diet, and cannot be used as a device for enabling welfare recipients to use for other purposes some of the money they would normally spend for food. I think the welfare allowances in many areas of the country, including Missouri, are far too low to permit families to maintain even minimum standards, but this problem cannot be solved through a food stamp plan, or even by providing free food.

On the other hand, since we have these simply huge surpluses of food items which overhang the agricultural economy and depress prices, and which cost the Government as much as a billion dollars a year to store and billions of dollars in price supports each year, it is simply indefensible to have any of this food go to waste while we have underfed and undernourished Americans. Every American deserves a decent diet. This plan enables our needy to obtain good, balanced diets.

The food stamp plan has been a tremendous success in every area of the country where it has been in effect long enough for local problems to be worked out and special adjustments made. And, as Secretary of Agriculture has reported, in a letter to the Speaker which I am including as part of my remarks today, this plan on a national basis would not only raise standards of nutrition, and improve diets, and sell more food—aiding every level of the food industry—but would, to a large extent, pay for itself in reducing costs which the Government now must sustain in food storage, and in the direct distribution program.

COMMUNITIES ACTIVELY SEEKING PLAN'S EXTENSION

I am also submitting, as part of my remarks, Mr. Speaker, a list of the 31 areas where pilot food stamp programs are now in operation; and another list—9 pages long—of the counties and local communities which are actively seeking to have the food stamp program extended to their areas. This is perhaps the best evidence of all the superiority of the food stamp plan over the direct distribution method.

Many areas of the country, which are not depressed areas and do not have sufficiently large numbers of unemployed to justify the expenses of participating in the direct distribution system, nevertheless do have many needy people who

need help in obtaining an adequate diet, and who could be included at little local expense if there were a food stamp plan in operation. The food stamp plan can reach needy Americans wherever they live—in their home communities. The direct distribution system cannot and does not.

EVERYONE BENEFITS UNDER A STAMP PLAN

Hence, the way to assure the sharing of our abundance of food to all needy Americans is through such a plan, operating through the neighborhood grocery store, and open to any and all Americans who can qualify under the income limitations, and who are willing to do their part by voluntarily earmarking a reasonable part of their own budgets for food purchases, in order to qualify for the extra stamps which will assure them a well-rounded, nourishing, and attractive variety of foods.

The farmer will benefit both by selling more food, and by having more of the section 32 money available for surplus removal emergencies; the Government will save on farm price support and food storage costs, our municipalities will save substantially in the costs they now must underwrite for surplus food distribution, and the recipients, who will benefit most, will be able to obtain all of their food needs in the nearby stores, rather than have to go miles to a central depot for bulky gift packages of the few items available once each month.

I urge prompt action by the Committee on Agriculture on this bill.

LETTER FROM SECRETARY OF AGRICULTURE FREEMAN

Mr. Speaker, I now submit as part of my remarks a copy of the letter sent by Secretary of Agriculture Orville L. Freeman to our Speaker, in forwarding to the House of Representatives the draft of proposed legislation which I have now introduced as H.R. 5733. The Secretary's letter to the Speaker is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, April 17, 1963.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a draft of a proposed bill which authorizes the operation of a food stamp program.

The submission of this proposed bill is a result of experience gained by this Department in the operation of a series of pilot food stamp programs. These pilot operations were inaugurated in mid-1961 at the request of the President and were conducted under the authority of Section 32 of Public Law 320, 74th Congress, as amended. Currently, the program is being further tested in a total of 31 separate areas under a wide variety of operating conditions. Additional areas have been designated for inclusion later this fiscal year. A series of studies designed to determine the impact of the program on family food purchases have been made or are underway. Furthermore, administrative and operating techniques are being tested and evaluated so as to provide the Department with the experience necessary to effectively operate the type of program provided in the proposed bill.

The Department recommends favorable action on this proposed bill.

The food stamp program is designed to strengthen the agricultural economy, help achieve a fuller and more effective use of

food abundance, and to improve levels of nutrition among those households in economic need. These purposes are achieved by increasing the limited food buying ability of such households. The program will be operated through normal channels of trade.

Under such a program, needy households are provided with an opportunity to purchase—at a charge that is equivalent to the amounts of money they could normally be expected to spend for food—an allotment of coupons of higher monetary value. The Federal Government finances the cost of the coupons which are provided free of charge. The purchase of coupons by participating households is designed to insure that the additional coupons provided free of charge to such households actually results in increased food purchases through normal trade channels.

Coupons issued to participating households may be used by them only to purchase food out of regular commercial supplies at retail food stores. Coupons accepted by such stores are redeemed through wholesale food concerns or directly through banks. The proposed bill also provides for the undertaking of an educational program to encourage participating households to purchase foods available in abundant supply and those most needed in diets.

Studies conducted by this Department during the pilot program indicate that a food stamp program is practicable in terms of its administrative and operating aspects and is effective in expanding food markets and in improving the diets of participating households.

A survey conducted in a sample of retail food stores in the eight original pilot programs showed that the dollar volume of food sales increased by 8 percent after the inauguration of the food stamp program. The stores included in this survey represented an estimated 50 to 85 percent of total retail food store sales in all of the original eight pilot areas except Detroit. There, the survey stores were drawn from low-income areas of the city. Meats, produce, and other grocery items shared in the increase in food sales and the smaller retail stores were able to attract a reasonable proportion of the coupon business.

A second survey undertaken in two of the original pilot areas showed that households participating in the pilot food stamp program made significant increases in food purchases and in the total value of food used after they started to participate in the pilot food stamp program. This information was collected through a detailed investigation of food consumption among a representative sample of households in April-May of 1961, before the inauguration of the pilot food stamp program, and in September-October of that year when the pilot program had been in operation for some time.

Animal products—such as meat, poultry, fish, milk, and eggs—and fruits and vegetables accounted for more than 80 percent of these gains in the value of food used. These are the foods most needed for dietary improvement and a shift of more of our agricultural resources into the production of such foods would help to strengthen the agricultural economy.

This survey also showed that a food stamp program is especially effective in providing assurance that the Federal contribution (in the form of the coupons provided free of charge to eligible households) actually resulted in an increase in food purchases by participating households. A special analysis of the data derived from this survey showed that approximately 85 to 95 percent of the Federal contribution to participating households was reflected in increased food purchases in retail stores. This level of effectiveness is considered to be about the maximum to be expected under any program designed to expand markets for food.

These two household food consumption surveys also showed that there was a substantial improvement in the quality of diets among households participating in the program. From nearly two-fifths to almost one-half of these households had good diets in September-October under the food stamp program. Only slightly more than one-fourth of these households had good diets in April-May before the food stamp program was inaugurated.

It is clear that farmers have a definite stake in any program which expands markets and results in increased food sales, even though no one program can be relied upon to strengthen our agricultural economy. A food stamp program appears to be an effective way of increasing total food consumption by economically needy households and in concentrating these increases in animal products and fruits and vegetables. Increases in markets for these foods will help to relieve the general problem of overcapacity in agriculture. Particularly, increased markets for animal products would use more feed grains and, thus, a food stamp program could make an important contribution to the total effort to bring our feed grain supplies into balance with demand.

The proposed bill to authorize a food stamp program would provide for the gradual extension of such a program to those political subdivisions in which the various States wish to conduct such a program. The distribution of federally owned foods to needy households would be discontinued in those subdivisions participating in the food stamp program but such distribution would continue to be made to eligible schools and institutions in those areas.

It is not contemplated that the food stamp program would be restricted to designated areas of economic distress because it is designed to improve diets of needy households wherever they may reside. However, as indicated by our experience under the donation of federally owned foods to needy families, we anticipate that many political subdivisions would not feel the need to participate in the program. Therefore, we estimate that, with a continuation of current economic conditions, the program could be reaching approximately 4 million needy persons within a period of 5 years following the passage of this bill. By that time, it is also estimated that the cost of the food stamp program would be approximately \$360 million a year, exclusive of Federal administrative expenses. Such costs would be offset in substantial part by the discontinuance of Federal food donations to needy households in political subdivisions participating in the food stamp program and would tend to reduce the total nationwide cost of this direct distribution program. Also, in accordance with the requirements of Public Law 801, 84th Congress, there is enclosed a table showing estimates of man-years of civilian employment, expenditures for personal services, and expenditures for all other purposes.

Recommendations for the implementation of this program would be made within the framework of the annual budget and fiscal policies of the President.

There is also enclosed a detailed section-by-section analysis of the proposed bill which describes the type of program to be operated and the manner in which it will be conducted.

The Bureau of the Budget advises that the enactment of this proposed legislation would be in accord with the President's program.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

TEXT OF H.R. 5733

Mr. Speaker, following is the text of H.R. 5733, the provisions of which are

referred to in the Secretary's letter above:

[88th Cong., 1st sess.]

H.R. 5733

(In the House of Representatives, April 22, 1963; Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Agriculture.)

A bill to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a program of food assistance to be operated through normal channels of trade; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Food Stamp Act of 1963."

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households in economic need to receive a greater share of the Nation's food abundance, is herein authorized.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "food" means any food or food product for human consumption other than alcoholic beverages and tobacco.

(c) The term "coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this Act.

(d) The term "coupon allotment" means the total value of coupons to be issued to a household during each month or other time period.

(e) The term "household" shall mean a group of related or nonrelated individuals, who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term "household" shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

(f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

(g) The term "wholesale food concern" means an establishment which sells food to retail food stores for resale to households.

(h) The term "State agency" means the agency of the State government which has responsibility for the administration of the Federally-aided public assistance programs.

(i) The term "bank" means member or nonmember banks of the Federal Reserve System.

(j) The term "State" means the fifty States and the District of Columbia.

(k) The term "food stamp program" means any program promulgated pursuant to the provisions of this Act.

ESTABLISHMENT OF THE FOOD STAMP PROGRAM

SEC. 4. (a) The Secretary shall formulate and administer a food stamp program under which eligible households shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than their normal expenditures for food as determined by the Secretary. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

(b) The Secretary shall, from time to time, issue such regulations, not inconsistent with this Act, as he deems necessary or appropriate for the effective and efficient administration of the food stamp program.

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

ISSUANCE AND USE OF COUPONS

SEC. 6. (a) The Secretary shall cause coupons to be printed in such denominations as he may determine, and shall make provision for their issuance only to households which have been duly certified as eligible to participate in the food stamp program.

(b) Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program.

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 7. (a) The face value of the coupon allotment which the Secretary shall authorize State agencies to issue to households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households with an opportunity more nearly to obtain a nutritionally adequate diet.

(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as the Secretary determines is equivalent to their normal expenditures for food.

(c) The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any purpose under any Federal or State laws including but not limited to, laws relating to taxation, welfare, and public assistance programs.

(d) Funds derived from the charges made for the coupon allotment shall be promptly deposited in a manner prescribed by the Secretary in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 8. (a) The Secretary shall provide in the regulations issued pursuant to this

Act for the submission of applications for approval by retail food stores and wholesale food concerns which desire to participate in the food stamp program and shall approve those applicants whose participation he determines will effectuate the purposes of the food stamp program. In determining the qualifications of applicants the Secretary shall consider, among such other factors as he may deem appropriate, the following: (1) the nature and extent of the retail or wholesale food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant retail food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval.

(b) The Secretary shall in the regulations issued pursuant to this Act, require an applicant retail food store or wholesale food concern to submit information which will enable him to determine whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. The Secretary shall provide in the regulations issued pursuant to this Act for safeguards which restrict the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(c) Any retail food store or wholesale food concern which has failed upon application to receive the approval of the Secretary to participate in the food stamp program may obtain a hearing on such refusal as provided in section 13 of this Act.

REDEMPTION OF COUPONS

SEC. 9. In the regulations issued pursuant to this Act, the Secretary shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department.

ADMINISTRATION

SEC. 10. (a) In the formulation and administration of the food stamp program, the Secretary is authorized to enlist the cooperation of existing Federal, State, local or private agencies and may utilize such agencies in the undertaking of an educational program to encourage the purchase of foods available in abundant supply or those most needed in diets, and to improve nutritional knowledge of households participating in the program.

(b) The Secretary may exercise any power, duty, or discretion vested in him under this Act through such person or persons as he may designate.

(c) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons: *Provided*, That the State agency may, subject to approval by the Secretary, delegate its responsibility in connection with the issuance of coupons to another agency of the State government. There shall be kept such records as the Secretary may determine are necessary for him to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit by the Secretary at any reasonable time and shall be preserved for such period of time, not in excess of three years, as the Secretary determines is necessary or appropriate.

(d) In the administration of the food stamp program the State agency shall not discriminate against any household by reason of race, religious creed, national origin or political beliefs.

(e) Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provisions of this Act or the regulations issued pursuant to this Act.

(f) The State agency of each State desiring to participate in the food stamp program shall submit for the approval of the Secretary a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as the Secretary may by regulation require, the following: (1) the specific standards to be used in determining the eligibility of applicant household; (2) that the State agency shall undertake the certifications of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; and (4) for the submission of such reports and other information as the Secretary may from time to time require.

(a) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, the Secretary shall inform such State agency of such failure and shall allow the State agency a reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary may require that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as corrective action satisfactory to the Secretary has been taken.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 11. Any approved retail food store or wholesale food concern may be disqualified from further participation in the food stamp program, on a finding by the Secretary that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as the Secretary may determine. The action of disqualification shall be subject to review as provided in section 13 of this Act. *Provided*, That, notwithstanding any of the other provisions of this section or of section 13 of this Act, if the Secretary has reason to believe that a serious or flagrant violation of this Act or of the regulations issued pursuant to this Act, has occurred or that there are facts or circumstances of a nature which indicate a lack of ability or willingness on the part of such store or concern to carry out properly the provisions of the program, he may suspend such store or concern without advance notice or hearing for such period, not in excess of 90 days, as may be required to complete an investigation and take such administrative action as may be found appropriate by the Secretary. Such suspension action shall not constitute a final determination for the purpose of section 13 of this Act.

DETERMINATION AND DISPOSITION OF CLAIMS

SEC. 12. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or

deny all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 13. Whenever the Secretary (a) determines that a retail food store or a wholesale food concern should not be approved to participate in the food stamp program, (b) disqualifies a retail food store or a wholesale food concern under the provisions of section 11 of this Act, or (c) directs the denial, under the provisions of section 12 of this Act, of all or part of any claim of a retail food store or wholesale food concern, he shall cause notice of such administrative action to be issued to the retail food store or wholesale food concern involved. Such notice shall be delivered by certified mail or personal service. If such store or concern is aggrieved by the action of the Secretary, it may, in accordance with regulations promulgated by the Secretary, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the Secretary may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination of the Secretary shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available to the Secretary, shall be reviewed by the person or persons designated by the Secretary, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final. If the store or concern feels aggrieved by such final determination of the person or persons designated by the Secretary he may obtain judicial review thereof, without regard to the amount in controversy, by filing a complaint against the United States in the United States District Court for the District in which he resides or is engaged in business within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination. Service of process in such action shall be made in accordance with the rules for the service of process upon the United States as prescribed by the Rules of Civil Procedure for the United States District Courts. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attached shall be sent to the Secretary or such person or persons as he may designate to receive service of process. The action in the United States District Court shall be a trial de novo by the Court without a jury, in which the Court shall determine the validity of the questioned administrative action in issue. If the Court determines that such administrative action is invalid it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless on application to the Court on not less than 10 days notice, and after hearing thereon and a showing of irreparable injury, the Court temporarily stays such administrative action pending disposition of such trial or appeal.

VIOLATIONS AND ENFORCEMENT

SEC. 14. (a) Notwithstanding any other provisions of this Act, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(b) In addition to the jurisdiction vested in the United States District Courts by section 13 of this Act, such courts are hereby severally vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or the regulations issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several United States Attorneys in their respective districts, acting under the direction of the Attorney General, to institute proceedings to enforce the remedies provided for in this Act or the regulations issued pursuant to this Act, to represent the United States in any action for judicial review of any final administrative determination made under the provisions of section 13 of this Act, or to effect collection of any claims or indebtedness determined to be due the United States by the Secretary under the provisions of this Act or the regulations issued pursuant to this Act.

(c) Whoever knowingly uses, transfers, acquires or possesses coupons in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(d) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(e) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8.

PAYMENTS TO STATE AGENCIES

SEC. 15. The Secretary is authorized, in accordance with the formula specified in this section, to make payments to State agencies for the purpose of reimbursing such agencies for part of the costs incurred in the certification of those households which are not receiving benefits under the federally aided public assistance programs. The amount of such payment to any one State agency shall be 50 per centum of the sum of: (1) the direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such postinterview field investigations as are necessary to certify the eligibility of such households, and of the immediate supervisor of such personnel, for such periods of time as they are employed in certifying the eligibility of such households; (2) travel and related costs incurred by such personnel in postinterview field investigations of such households; and (3) an amount not to exceed 25 per centum of the costs computed under (1) and (2) above.

APPROPRIATIONS

SEC. 16. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible

households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act.

(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section.

(c) If the Secretary determines that any of the funds in the separate account created under section 7(d) of this Act are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.

SECTION-BY-SECTION ANALYSIS OF H.R. 5733

Mr. Speaker, in his letter above, the Secretary of Agriculture referred to the section-by-section analysis of a draft of legislation he was submitting for introduction in the House to authorize funds for a nationwide food stamp program. The analysis referred to is as follows:

SECTION-BY-SECTION ANALYSIS OF PROPOSED BILL, THE FOOD STAMP ACT OF 1963

SECTION 2

This section declares it to be the policy of Congress to make maximum use of our abundance of food to improve the health and well-being of the Nation's population. It finds that the operation of a stamp program, as one part of our national food and agricultural program, will help maintain adequate levels of nutrition, strengthen our agricultural economy, and result in a more orderly marketing of food.

SECTION 3

This section of the proposed bill provides definitions for the purposes of a Food Stamp Act.

For purposes of such an act, food would be defined as any food for human consumption and all such foods would be eligible for purchase with food coupons (subsec. b). To avoid any misunderstanding as to intent, however, the wording of the subsection specifically excludes alcoholic beverages and tobacco as coming within the meaning of this definition of food.

The section defines the term "State agency" as the agency of the State government which has responsibility for the administration of the federally aided public assistance programs. The term "State agency" is intended to include the State and local offices of that agency or, in those States where the federally aided public assistance programs are administered on a decentralized basis, the counterpart county or local agencies which have responsibility for the administration of such assistance programs. Under section 10 of the bill, these States agencies are required to assume responsibility for the certification of households making application for the program.

Subsection (j) of this section defines "State" as the 50 States and the District of Columbia. In view of the intent to provide for a gradual expansion of the food stamp program over a period of years, it is recommended that action authorizing the possible operation of the program in any of the territories or possessions be held for later review and decision by the Congress.

SECTION 4

A general description of the type of food stamp program authorized by this bill is included in section 4. The type of stamp program described is the type which has been

tested on a pilot basis by the Department of Agriculture since mid-1961 under the authority of section 32 of the act of August 24, 1935, as amended.

This section also would authorize the Secretary of Agriculture to issue regulations governing the operation of a food stamp program.

SECTION 5

This section of the bill limits eligibility for the program to economically needy households, i.e., those households whose economic status is a substantial limiting factor in their ability to attain an adequate diet.

The section further provides that States shall establish specific eligibility standards which will measure the economic need of applicant households, taking into account the general standards and other factors they use in providing welfare assistance to needy persons and households. However, all such standards must be approved by the Secretary of Agriculture to insure they will effectuate the purposes of the food stamp program.

SECTION 6

Under the authority of this section, the Secretary of Agriculture would provide for the printing of food coupons and their issuance to eligible households. Under the pilot food stamp program, coupons have been printed by the Bureau of Engraving and Printing of the Treasury Department and it is intended that this arrangement be continued if this enabling legislation is authorized by the Congress.

This section also limits the use of coupons to the purchase of food in retail food stores which have been approved to accept such coupons.

SECTION 7

Section 7 of the bill specifically provides that eligible households shall be charged for a portion of the coupons provided to them. Such charges shall be based upon the household's normal expenditures for food. In return, the household will receive some coupons free of charge and in this manner, they are able to buy more food.

The stamp program is specifically designed as a food program. It is not intended to act as a general income supplement to low-income households. Its purpose is to permit these needy households to buy more food and to improve the nutritional quality of their diets rather than to help them to save on their food expenditures. It is for this reason that participating households are required to exchange the amount of money they normally could be expected to spend for food for coupons of equal value before they are provided with additional coupons free of charge.

This section also provides that the coupons provided free of charge are not to be considered to be income to the households for purposes of the Social Security Act and other Federal and State statutes. This provision is deemed necessary to make certain that additional food purchasing power provided to needy households under a stamp program does not automatically result in a reduction in benefits under programs where income determines the availability or amount of such benefits. Likewise, the value of free coupons would not be subject to income taxes.

A separate food stamp account would be established in the Treasury of the United States. All sums collected from participating households would be deposited in this separate account and would be available to redeem the coupons accepted by retail food stores. Section 16 of the bill would authorize a transfer of funds, out of each annual appropriation for the program, to this same account to provide funds for the redemption of those coupons which are issued free of charge to participating households.

SECTION 8

This section of the bill specifies the procedures and conditions under which retail food stores and wholesale food concerns would make application to the Department of Agriculture for approval to accept food coupons. Approved retailers would obtain such coupons in payment for food purchased by participating households. These retailers could redeem coupons through the commercial banking system or they could redeem coupons through the approved wholesale food concerns.

Any information which the retailer or wholesaler would be required to provide the Department on the volume of his business could be utilized by the Department only for purposes directly connected with the administration and enforcement of this act and regulations. Administrative and judicial review is provided in the event that the Department fails to approve the application of any retailer or wholesaler.

SECTION 9

This section of the bill specifically authorizes the use of the commercial banking system to redeem food coupons.

It is the intent of this section of the bill to provide for the same system of coupon redemption that is currently being used under the pilot food stamp program. Authorized retailers and wholesalers redeem coupons through commercial banks. These banks then redeem the coupons through Federal Reserve banks, which, under the provisions of section 15 of the Federal Reserve Act, are acting as fiscal agents of the Department of Agriculture. Federal Reserve banks examine coupons for genuineness, destroy the coupons, and call upon funds in a Treasury account to reimburse them for the value of coupons received from commercial banks.

SECTION 10

This section of the bill is concerned with legislative provisions for the administration of a food stamp program. Under it, the State agency responsible for the administration of the federally aided public assistance programs would assume responsibility for the certification of applicant households. That same agency would assume responsibility for the sale and issuance of food coupons, unless it was mutually agreed that coupon issuance responsibilities could be more effectively carried out by another agency of the State government. In either event, it would be possible for the State agency to contract with local government agencies, or with banks, for the actual sale and issuance of the food coupons.

The general administrative arrangement between the Department of Agriculture and the State public assistance agency would be the same as that used in the operation of the pilot food stamp program, which was patterned after that authorized in the Social Security Act. State agencies would submit for approval a plan of operation which would commit them to observe the requirements of the enabling legislation and the provisions of the Federal food stamp regulations. As well, the plans would specify the manner in which each State would carry out its certification and issuance responsibilities.

This section would further require that the State public assistance agency carry out its certification responsibilities under the same general procedures and merit system personnel standards as are required of such agencies by the Department of Health, Education, and Welfare in the administration of the federally aided public assistance programs. Within political subdivisions within each State, the certification responsibility would be carried out by the local offices of the State public assistance agency, or in those States where the federally aided pub-

lic assistance programs are operated on a decentralized basis, by the counterpart local assistance agencies which now administer such federally aided programs.

While this section provides that the State public assistance agency assume full responsibility for the certification of applicant households, it is not the intent to preclude the possible use of casework information and records on the economic status of households which has been developed by other public agencies that are responsible for the granting of general assistance or relief.

This section further provides that, where necessary, the Secretary of Agriculture shall provide a State agency with reasonable opportunity to institute any necessary program or administrative corrective measures to bring its food stamp operations into compliance with Federal requirements, before the benefits of the food stamp program are withheld from eligible needy households within the State.

SECTION 11

Under this section of the bill, the Department of Agriculture has authority to disqualify from further participation in the program those retailers and wholesalers who have been found to be in violation of program requirements. Such disqualifications are subject to both administrative and judicial review under the provisions of section 13 of the bill.

SECTION 12

This section provides the Secretary of Agriculture with the power to settle claims arising out of the operation of a food stamp program.

SECTION 13

Section 13 specifies the administrative and judicial reviews available to a retail food store or a wholesale food concern in the event (a) the store or concern has failed to receive the approval of the Department to accept food coupons; (b) it is disqualified from further participation under the provisions of section 11 of this bill; or (c) it is denied a payment of a claim under the provisions of section 12.

Judicial review can be obtained through U.S. district courts.

SECTION 14

This section of the proposed legislation permits the Secretary to incorporate appropriate provisions in the Federal program regulations for the issuance or redemption of coupons at such times and in such manner as he may find necessary to protect the interest of the United States, and to facilitate enforcement of the provisions of the proposed Act and the Federal regulations.

Jurisdiction is conferred on the U.S. district courts to enforce the proposed act or the program regulations. The U.S. attorneys, acting under the direction of the Attorney General, are authorized to represent the Government, at the request of the Secretary, in any legal proceedings instituted in the several district courts under the proposed act.

Subsections (c) and (d) of this section impose criminal sanctions for violations of the proposed act and the Federal program regulations. The section also provides that coupons shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8, thus making applicable to food coupons all existing statutes relating to offenses involving obligations of the United States.

SECTION 15

To insure careful and effective certification of the eligibility of those households which are not receiving benefits under the federally aided public assistance programs, it is deemed necessary and in the interest of the Federal Government to assist State agencies in meeting a part of the cost of certifying such households for the food stamp program.

The amount of such payments will be computed under a formula which is prescribed in this section of the bill. The formula provides for arbitrarily computing the payment by taking 50 percent of the sum of (1) the salary costs of those caseworkers who are employed in the certification of nonassistance households and of the immediate supervisors of such caseworkers; (2) the travel costs incurred by these employees in field investigations of applicant households; and (3) an amount equal to 25 percent of the costs incurred in (1) and (2) above.

SECTION 16

This section of the bill authorizes an annual appropriation to carry out the provisions of the bill. The annual appropriation would be used to cover (1) all program costs,

such as the value of coupons issued free of charge to households, related costs in the printing and shipment of coupons, and the payments to States authorized by section 15 of this bill; and (2) Federal administrative expenses.

Additionally, this section gives clear direction to the Secretary that the annual appropriation for the program is the basic factor which determines its size and scope and determines the rate at which it can be extended to those areas where the inauguration of such a program is warranted and requested by State agencies. Further, this section authorizes the Secretary of Agriculture to terminate the separate food stamp account maintained in the Treasury of the United States if such action is deemed necessary and appropriate at some future date.

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL MARKETING SERVICE—FOOD STAMP PROGRAM

Estimated maximum average annual positions of civilian employment and fund requirements

	Fiscal year—				
	1964	1965	1966	1967	1968
A. Average annual positions of civilian employment:					
1. Administrative support.....	19.7	48.7	71.3	88.3	97.1
2. Executive direction.....	.1	.5	.5	.5	.5
3. Program functions.....	135.2	405.8	663.2	836.2	887.4
4. Total, average annual positions.....	* 155.0	455.0	* 735.0	* 925.0	* 985.0
B. Obligations:					
1. Personnel compensation.....	\$1,050,000	\$3,500,000	\$5,670,000	\$7,140,000	\$7,560,000
2. All other items.....	50,450,000	126,500,000	227,430,000	303,060,000	363,240,000
3. Total obligations.....	* 51,500,000	130,000,000	233,100,000	310,200,000	370,800,000

¹ Reflects portion of the time of those now performing this function that would be applied to this program.

² Reflects estimated cost for the pilot areas expected to be in operation by July 1, 1963, for which the 1964 budget proposes financing from sec. 32 funds until a direct appropriation is available.

³ Would be offset in part through some reduction in direct distribution program.

AREAS WHICH NOW HAVE, WILL SOON HAVE, OR ACTIVELY SEEK TO HAVE FOOD STAMP PROGRAMS ESTABLISHED

• Mr. Speaker, in preparing H.R. 5733 for introduction, I asked the Department for a full list of all of those areas of the country where the food stamp plan is in operation, or soon to be in operation, or where the States, counties, or municipalities have requested it. This list is as follows:

FOOD STAMP PROGRAM AREAS ORIGINAL PILOT AREAS

County and State and date of opening
Franklin County, Ill., July 10, 1961.
Floyd County, Ky., June 1, 1961.
City of Detroit, Mich., July 5, 1961.
Parts of St. Louis and Itasca Counties, Minn., June 5, 1961, June 7, 1961.
Silver Bow County, Mont., June 1, 1961.
San Miguel County, N. Mex., June 5, 1961.
Fayette County, Pa., June 1, 1961.
McDowell County, W. Va., May 29, 1961.

ADDITIONAL AREAS DESIGNATED AND NOW OPERATING

County and State and date of opening
Jefferson County, Ala., March 11, 1963.
Independence County, Ark., April 2, 1963.
Humboldt County, Calif., March 1, 1963.
Vanderburgh County, Ind., April 1, 1963.
Knott County, Ky., December 3, 1962.
Perry County, Ky., March 4, 1963.
Avoyelles Parish, La., March 1, 1963.
Evangeline Parish, La., January 7, 1963.
Carlton County, Minn., March 4, 1963.
Remainder of St. Louis and Itasca Counties, Minn., November 1962.
City of St. Louis, Mo., January 2, 1963.
Nash County, N.C., November 1962.
Lucas County, Ohio, December 3, 1962.

Multnomah County, Oreg., December 3, 1962.

City of Pittsburgh, Pa., March 1, 1963.
Cambria County, Pa., March 1, 1963.
Luzerne County, Pa., October 1, 1962.
Dickenson County, Va., March 4, 1963.
Lee County, Va., March 5, 1963.
Wise County, Va., February 1, 1963.
Logan County, W. Va., November 1962.
Mingo County, W. Va., November 1962.
Wayne County, W. Va., November 1962.
Douglas County, Wis., November 1962.
Iron County, Wis., March 1, 1963.

ADDITIONAL AREAS DESIGNATED BUT NOT YET OPEN

County and State and probable starting date

Walker County, Ala., May 6, 1963.
Rice County, Kans., June 2, 1963.
Mora County, N. Mex., June 2, 1963.
Santa Fe County, N. Mex., June 2, 1963.
Cuyahoga County, Ohio, May 2, 1963.
Grundy County, Tenn., June 3, 1963.
Hamilton County, Tenn., June 3, 1963.
Marion County, Tenn., June 3, 1963.
Sequatchie County, Tenn., June 3, 1963.
Grays Harbor County, Wash., June 1 or later.

Pacific County, Wash., June 1 or later.
Yakima County, Wash., June 1 or later.

LOCAL REQUESTS, FOOD STAMP PROGRAM

Source of request and specific area requested Alabama

Judge Cargile; Fayette County.
C. H. Jackson, manager, Chamber of Commerce, Florence, Ala.; Lauderdale County.
William F. Baker, O. K. Wholesale Grocery Co., Montgomery, Ala.; Lauderdale County.
Milton Durrett, Alabama Food Council, Montgomery, Ala.; Lauderdale County.
J. I. Burnett; Etowah County.

B. H. Hall, chamber of commerce; Covington County.

J. L. Channell, mayor, city of Opp, Ala.; Covington County.

Clarence Weeks, national sales manager, Sessions Co., Inc., Enterprise, Ala.; statewide.

Arkansas

Sam Corder, Forrest City, Ark.; St. Francis County.

Walter E. Webb, secretary, Helena-West Chamber of Commerce, Helena, Ark.; statewide.

Colorado

Fred Sawaya; Castilla County, Huerfano County, Las Animas County.

District of Columbia

District of Columbia Commissioners, Rogers-Wilkins Milling Co., Washington, D.C.; District.

Georgia

Wholesale Grocers Association; statewide. Ellsworth Hall, county attorney, Macon, Ga.; Bibb County.

William F. Pendleton, A. S. Pendleton Co., Valdosta, Ga.; Lowndes, County.

Emmett Snellgrove, county clerk, Bibb County.

Illinois

Gale Williams, State representative, Illinois State General Assembly; Alexander, Pulaski, Union, Jackman, Monroe, Randolph Counties.

Ralph Bradley, office of Gov. Otto Korner; city of Chicago.

Indiana

Robert P. Butler, Indiana Labor Commission; St. Joseph County.

Kentucky

Judge A. M. Bell; Owsley County.

C. A. Wolfe; Martin County.

Judge Cam Smith, Harlan, Ky.; Harlan County.

Judge Tom Carter, Grayson, Ky.; Carter County.

Judge Clyde Sayer; Magoffin County.

Judge Charles Porter; Elliott County.

Judge James E. Phipps; Morgan County.

Judge James M. Caudill; Letcher County.

Judge Sam P. Deaton; Breathitt County.

Judge W. C. Flannery; Rowan County.

Judge Jess Slusher; Bell County.

Judge Acey Cornett; Harlan County.

Louisiana

Iberia Parish police jury; Iberia Parish. Lafayette Parish Chamber of Commerce, Lafayette Parish police jury; Lafayette Parish. Franklin Parish police jury; Franklin Parish.

Jackson Parish police jury; Jackson Parish. Vernon Parish police jury, Civitan Club; Vernon Parish.

Calcasieu Parish jury; Calcasieu Parish. Jefferson Davis Parish police jury; Jefferson Davis Parish.

Livingston Parish police jury; Livingston Parish.

St. Landry Parish police jury; St. Landry Parish.

St. Mary Parish police jury; St. Mary Parish.

St. James Parish police jury; St. James Parish.

Maine

Stanley J. Bernard, Portland; Cumberland County.

Mr. Barron, director, public welfare department; Cumberland County.

Maryland

Gov. J. Millard Tawes; statewide.

W. F. Strong, AFL-CIO; statewide.

Robert Baker, administrative assistant, commission, Somerset County; Somerset County.

Oliver W. Singleton, regional director, AFL-CIO (western Maryland); Allegany County.

Michigan

Clarence Minkin, AFL-CIO; Gogebic County.

Joseph Snyder, councilman; Macomb County.

Minnesota

John H. Zimmer, secretary, Association of Food Dealers; statewide.

Director, department of public welfare; Pine County.

Director, department of public welfare; Lake County.

Frank Borlg; statewide.

George Teller, United Steel Workers; statewide.

Wayne Alsop, county auditor; Beltrami County.

R. J. McMullen, director, department of public welfare; Clay County.

L. H. Furcht, director, department of public welfare; Lake of the Woods County.

Becker County Welfare Department; Becker County.

R. J. Nelson, chairman, county department of public welfare; Becker County.

Roger Headley, director, department of public welfare; Beltrami County.

John S. Brazzell, director, department of public welfare; Cass County.

James Steck, director, department of public welfare; Clearwater-Mahnomen Counties.

Mr. Charles E. Henstead; Crow Wing County.

Director, department of public welfare; Hubbard County.

Harry Hoehne, director, department of public welfare; Lake County.

Mississippi

F. A. Jackson, president, county board of commissioners, Charleston, Miss.; Tallahatchie County.

Robert G. Geoffrey, manager, chamber of commerce, Vicksburg; Warren County.

Missouri

Sam L. Hunter, president, chamber of commerce, New Madrid; New Madrid County.

Harold James, court clerk, Pemiscot County court, Caruthersville, Mo.; Pemiscot County.

Evans Baker, president, New Madrid Merchants Association; New Madrid.

New Jersey

Hon. Arthus J. Holland, mayor, city of Trenton, Trenton, N.J.; city of Trenton.

New York

Harold Kearny; Kings County.

William J. O'Brien, assistant to commissioner, department of public welfare, White Plains, N.Y.; Westchester County.

North Carolina

Dr. Ellen Winston, commissioner, State board of public welfare, Raleigh, N.C.; statewide.

Hon. Terry Sanford, Governor, State of North Carolina, Raleigh, N.C.; Mecklenburg County.

Melvin Holmes, county accountant, Northampton County, Jackson, N.C.; Northampton County.

O. L. Moore, Jr., Laurenburg newspaper; Scotland County.

North Dakota

Arco Josephson, Bismarck-Mandan Trades and Labor, Assembly, AFL-CIO, Bismarck, N. Dak.

Gottfried J. Kuhn, Benson County Board of Commissioners, Minnewauken, N. Dak.; Benson County.

O. A. Parks, secretary, Bottineau Chamber of Commerce; Bottineau.

Ohio

George W. Lawrence, director, Huron Public Welfare Department, Norwalk, Ohio; Huron.

Nelson Smith, director, Pike County Department of Welfare; Pike County.

Bernard Ribley, president, local No. 1211, UAW-CIO, Lima, Ohio; statewide.

Verne O. Woolf, secretary, local 105, UAW, Wapakoneta, Ohio; statewide.

Arthur K. Fagan, local 128, UAW, Troy, Ohio; statewide.

Dennis R. Ulita, local UAW, Lima, Ohio; statewide.

Southwest Ohio Food Dealers; Hamilton County.

Oklahoma

Jack Thompson; Okmulgee County.

Oregon

Harold E. Carlson, Independent Retail Grocers Association; statewide.

Claude Ballard, vice president, International Woodworkers of America; statewide.

W. R. Litzzenberger; Coos County.

Mrs. Betty M. Hall, administrator, county public welfare committee; Lincoln County.

Miss Jeane Jewett, State welfare commission, Portland, Ore.; Multnomah County.

Ray E. Doerner, county commissioner; Douglas County.

Pennsylvania

Andrew S. Romito, city solicitor, Arnold, Pa.; Westmoreland County.

Fred W. Lamberton, chairman, Erie County commissioner; Erie County.

Fred Rhoads, chairman, Clearfield County Board of Commissioners; Clearfield County.

R. N. Cary, manager, Economy Wholesale Grocery; Centre County.

Walter A. Sanker, Altoona Association; Centre County, Blair County.

John W. Gardner, chief clerk, board of county commissioners; Blair County.

Tennessee

Mr. Walter R. Johnson, Nashville, Tenn.; statewide.

Cohen Turner Williams, president, Martha White Mills, Inc., Nashville, Tenn.; Davidson County (Nashville).

George Burke, Dixie Savings Stores; Hamilton County.

R. S. Horner, Brownsville, Tenn.; Haywood County.

Malcolm Dixon, Brownsville, Tenn.; Haywood County.

R. E. Sharp, Knox County.

Terry Williams; Shelby County.

Judge Beverly Briley; Davidson County.

Texas

Judge James C. Alvis; Haskell County.

Frank Ferres, Harlingen, Tex.; Cameron County.

Judge Davey; Cameron County.

Vermont

Cornwin E. Elwell, town manager, Brattleboro; Windham County.

Washington

R. A. Campbell, executive director, Washington State Food Dealers Association; Yakima County.

Hon. S. R. Holcomb, chief clerk, House of Representatives, Olympia, Wash.; statewide.

West Virginia

State Representative Halliday; Fayette County.

J. Flint Greene; statewide.

Earl Miller; Boone County.

Paul E. Hampton, Huntington; Cabell County.

John P. Broderick, president, Martha White Mills, Inc., Huntington, W. Va.; Cabell County.

J. D. Cutlip, Webster Springs; Webster County.

Retail grocers, Elkins; Randolph County.

Wisconsin

John S. Patton, director, welfare department; Douglas County.

John R. Lynch, director, county board of supervisors; Douglas County.

Chairman, board, department of public welfare; Ashland County.

County officials; Dane County.

J. E. Baldwin, director, Milwaukee County Department of Public Welfare; Milwaukee County.

Glen E. Ehle, director, Price County Department of Public Welfare; Price County.

John H. Lubbers, director, Waupaca County Department of Public Welfare; Waupaca County.

Leo T. Jelinkke, director, County Department of Public Welfare; Shawano County.

Eugene Raddatz, department of public welfare; Menominee County.

HOW THE FOOD STAMP PLAN HAS OPERATED—AND WHAT IT HAS MEANT IN TERMS OF BETTER NUTRITION AND INCREASED FOOD PURCHASES

Mr. Speaker, there have been several studies made of the effects of the food stamp program in pilot plan areas where it went into effect midway in the first year of the Kennedy administration. These studies show that the participants buy more—and better—foods, and enjoy a much higher level of nutrition under the plan than previously, when they were receiving monthly quotas of just a few food items under the direct distribution system. Furthermore, these studies have demonstrated that the participating stores have substantially increased their sales and have benefited from the program.

The Department, a year ago, issued a report in detail on the before-and-after aspects of the plan's operations in two widely different types of communities—the rural areas of Fayette County, Pa., and the highly industrialized urban area of Detroit, Mich. This report, entitled "Food Consumption and Dietary Levels Under the Pilot Food Stamp Program," shows us what food stamp plan can accomplish for the needy people throughout this nation, in terms of better diets.

As part of my remarks, Mr. Speaker, I submit this report, by Robert B. Reese and Sadye F. Adelson of the Agricultural Research Service, as follows:

FOOD CONSUMPTION AND DIETARY LEVELS UNDER THE PILOT FOOD STAMP PROGRAM, DETROIT, MICH., AND FAYETTE COUNTY, PA.

(By Robert B. Reese, agricultural economist, Marketing Economics Division, Economic Research Service; and Sadye F. Adelson, nutrition analyst, Consumer and Food Economics Division, Agricultural Research Service)

PREFACE

An Executive order of the President, issued January 21, 1961, directed the U.S. Department of Agriculture to take immediate steps to expand and improve its program of food assistance to needy families. As a first step, the Department increased the variety and value of federally owned foods being made available to States for donation to needy families. In his message to the Congress of February 2, 1961, the President requested the Department to inaugurate a series of pilot food stamp programs to determine the effectiveness of such an approach in providing better nutrition for needy families and in paving the way for a substantial improvement in use of our food production capacity.

Pilot food stamp programs were inaugurated in eight economically depressed areas of the country in mid-1961. Each of these areas had been participating in the food donation program but that program was termi-

nated when the food stamp program was placed in operation in each pilot area. At the same time, research agencies of the Department undertook a series of special studies to determine attitudes about the program and to measure its economic and dietary effects.

This report presents the preliminary findings from research in two of the eight pilot areas as to the effect of a food stamp program on food consumption by needy families and on the nutritional adequacy of their diets. The findings should help public administrators and others concerned with providing food to needy families. Related research—not reported here—included surveys of sales in retail food stores and of attitudes and opinions of low-income families, members of the food industry, welfare workers, and others.

This research represents the joint efforts of a team of the Department's market development specialists in the Marketing Economics Division, Economic Research Service, and nutrition specialists in the Consumer and Food Economics Division, Agricultural Research Service. Special guidance was given by Robert M. Walsh and William S. Hoofnagle, Economic Research Service, and Faith Clark, Janet H. Murray, and Evelyn Grossman of the Agricultural Research Service. Field operations in Detroit, Mich., were supervised by Thomas M. Brooks, ERS, and Lillian Fincher, ARS; and in Fayette County, Pa., by Ennis Blake, ARS, Kenneth E. Anderson, ERS, and Beatrice Evans, ARS. Elizabeth M. Davenport, ARS, coordinated automatic processing of the data.

The Department has recently published two other reports about the program: "The Food Stamp Program, an Initial Evaluation of the Pilot Project," AMS-472, and "Effect of the Pilot Food Stamp Program on Retail Food Store Sales," Agricultural Economic Report No. 8, both dated April 1962.

HIGHLIGHTS

The dual objectives of the food stamp program as stated are to expand markets for agricultural products and to improve diets by increasing the ability of needy families to purchase more and better foods. Preliminary findings from surveys of food consumption by low-income families in 2 pilot areas in which studies were made indicate that the program has made substantial progress in attaining both objectives.

The market for food was expanded among needy families. Program participants consumed food that was greater in quantity and money value in the program period than previously. During September and October 1961, urban recipients of food coupons in Detroit consumed foods with a money value 34 percent higher than during April and May, the preprogram period. Among rural recipients in Fayette County, Pa., an increase of 9 percent was found.

This market expansion appears to be related primarily to operation of the pilot food stamp program. Retail prices of foods used by families not qualified for the pilot food stamp program declined 2 percent in Detroit and 6 percent in rural Fayette County between the periods. Also, during September-October qualified nonparticipants were consuming food of somewhat less value in both Detroit (—1 percent) and rural Fayette County (—7 percent)—changes comparable to the seasonal price variation found for nonqualifying families with slightly higher incomes.

More than 80 percent of the increased consumption (money value) by food coupon recipients in both areas was for animal products (such as meat, poultry, fish, milk, and eggs) and fruits and vegetables. In Detroit, expanded use of meats constituted more than one-third of the net increase. In rural Fayette County, however, meats ac-

counted for a limited part of the increase in money value of foods consumed by participants.

Efficient use of the Federal subsidy in expanding the market for food was indicated by comparisons of increases in expenditures for food and the amount of free coupons made available to participants. Among the households surveyed, it appears that expanded food purchases may have accounted for the total subsidy in Detroit and more than 80 percent of the subsidy in rural Fayette County. Thus, a very high percentage of each dollar spent by the Government for food coupons in both areas accomplished the intended expansion of the commercial market for agricultural products.

The pilot food stamp programs in both Detroit and Fayette County drew participation primarily from families with incomes well below the maximum permitted. Among participating families interviewed, about 9 out of 10 had incomes at least 25 percent below the maximum allowable in the program. Also, most of the participants were in the larger and younger family groups.

The food stamp program helped to improve the diets of needy families in the two pilot areas. In April-May just under 30 percent of the families who were later to participate in the program had diets fully meeting the allowances recommended by the National Research Council for eight nutrients. During the test period, nearly 50 percent of the participants in Detroit and nearly 40 percent of those in rural Fayette County had diets meeting the recommendations.

April-May diets of participants were especially short in calcium and ascorbic acid. Diets were also in need of improvement in vitamin A value and riboflavin. In September-October, diets were improved in ascorbic acid and vitamin A value, reflecting increased use of fruits and vegetables.

Calcium and riboflavin levels rose in Detroit but not in Fayette County. The improved levels in Detroit were due to increased use of meat, poultry, fish, vegetables, and grain products in the later period.

BACKGROUND

The Federal food stamp program is a dual-purpose effort to expand utilization of agriculture's abundant resources and to improve the nutrition of needy families. The program is designed to enlarge the market for foods by increasing the food-purchasing ability of low-income families.

Under the program, food-purchasing power is increased by giving needy families an opportunity to exchange the amount of money they would normally spend for food for an allotment of coupons of higher monetary value. These coupons are used by participants for the purchase of domestic foods from retail food stores at prevailing prices. Retailers then exchange the coupons for cash at banks.

During June and July 1961, the pilot food stamp program was initiated in eight economically depressed areas across the country.¹ This program was aimed to test the effectiveness of a food stamp program under actual operating conditions. In the eight areas the food stamp program replaced the direct distribution program under which needy families had been receiving federally donated foods.

To determine the effect of the food stamp program upon purchasing practices and consumption by low-income families, and the

¹ The eight pilot areas were Franklin County, Ill., Floyd County, Ky., Detroit, Mich., the Virginia-Hibbing-Nashwauk area of Minnesota, Silver Bow County, Mont., San Miguel County, N. Mex., Fayette County, Pa., and McDowell County, W. Va.

adequacy of their diets, household food consumption surveys were conducted in Detroit, Mich., and rural areas of Fayette County, Pa., during April-May and September-October 1961, before and after initiation of the program in these areas.² The two places, one a metropolitan area and the other a rural area in the bituminous coal mining section, both having chronic unemployment, permitted tests of the program under widely varying conditions.

HOUSEHOLD FOOD CONSUMPTION SURVEYS

The household food consumption surveys were based upon area probability sampling of residences in predominantly low-income areas. In Detroit a sample of 1,268 residences was drawn from all census tracts in which 5 percent or more of the families were receiving public assistance. In Fayette County a sample of 837 residences was developed from all dwellings located in the rural portions of townships comprising approximately two-thirds of the county. Local officials designated these townships as primary rural hardship areas of the county.

During April-May, specially instructed interviewers obtained detailed information from all housekeeping families³ with a current family income of less than \$5,000 annually (after income taxes). Data were obtained concerning consumption of foods during the past 7 days by source (purchase, home production, Federal donation, gift, or other); also concerning food purchasing practices, income, and family characteristics. During September-October 1961, the same residences were revisited and comparable information obtained.

The basic analysis of shifts in food consumption and dietary levels was developed from comparisons of matched households in the two survey periods. Matched households were those residing at the same address during both survey periods, whose eligibility status for participation in the program (either qualified or not qualified) remained the same. With few exceptions, the matched households were in fact the same families.

The matched households were divided into three categories based on their characteristics in September-October. They were (1) participants in the pilot food stamp program, (2) nonparticipants whose family incomes were within qualifying range for participation in the program, and (3) nonparticipants who did not qualify for participation, since family income exceeded the maximum specified under the program. This breakdown provided comparisons of food consumption patterns and dietary levels during the two survey periods for recipients of food coupons, families choosing not to participate, and neighboring families with moderately higher incomes. The participant and qualifying nonparticipant groups were separated further by whether the family had been receiving federally donated foods during April-May (table 1).

PARTICIPATION IN FOOD STAMP PROGRAM

The food stamp program was based on voluntary participation by families certified as needy by State and local welfare agencies, with a single exception. Families receiving assistance from the city of Detroit were enrolled in the Program Qualifications for participation in each State were essentially the same as those used in the direct dis-

tribution program. All households receiving federally aided public assistance or State-sponsored general assistance were eligible for participation in the food stamp program, as well as other low-income households having less than specified levels of income and liquid assets established for each family size. Income qualifications for households not receiving other types of assistance bear a direct relationship to the income standards used by each State in the administration of its welfare assistance programs.

TABLE 1.—Matched households in survey of pilot food stamp program, Detroit, Mich., and rural Fayette County, Pa., April-May and September-October 1961¹

Location and status of households in September-October	Number of households		
	Received federally donated foods in April-May	Did not receive federally donated foods	Total
Detroit:			
Participants in food stamp program.....	71	16	87
Qualified nonparticipants ²	102	81	183
Not qualified.....			78
Total.....			348
Rural Fayette County:			
Participants in food stamp program.....	66	5	71
Qualified nonparticipants ²	55	54	109
Not qualified.....			111
Total.....			291

¹ Matched households are those occupying the same address and having the same eligibility qualifications in September-October as in April-May.

² Based on family incomes reported.

Among the States, Michigan and Pennsylvania have relatively high monetary levels of welfare assistance. Family income standards for participation in the food stamp program by nonrecipients of welfare assistance are about the same in Michigan and Pennsylvania. For example, the maximum gross monthly income for a participating four-person household was \$265 in Michigan, and \$245 in Pennsylvania. Liquid assets in the possession of a four-person household could not exceed \$795 in Michigan and \$735 in Pennsylvania.

After being certified by the responsible local or State welfare agency, the qualified household can participate in the food stamp program. Current income and family size determine the ratio of bonus to purchased coupons. The amount of money the family pays for coupons increases with income. The value of bonus or free coupons diminishes as the income level increases. Selected standards for four-member households in Fayette County, Pa., are shown in table 2.

Upon receipt of food coupons, semimonthly or monthly, recipients use them to purchase domestically produced foods in approved retail food stores at regular prices. Coupons may not be used to purchase coffee, tea, cocoa (as such), bananas, or any packaged food identified as imported. These imported foods, however, constitute only 6 or 7 percent of the value of all foods consumed by the low-income families interviewed.⁴

⁴ In the food stamp program, schedules of family payments and issuance of food coupons make allowance for usual purchases of excluded food items.

TABLE 2.—Monthly payments for food coupons and value of free coupons received by 4-member households with various incomes, Fayette County, Pa., 1961

Gross monthly income (selected intervals)	Amount family pays for coupons	Value of free coupons	Total value of coupons received
\$55 to \$64.99.....	\$22	\$40	\$62
\$105 to \$114.99.....	48	32	80
\$155 to \$174.99.....	64	26	90
\$215 to \$245.....	76	20	96

Food coupons were printed by the U.S. Treasury Department in 25-cent and \$1 denominations. They are issued to participating families in booklets containing \$2, \$3, or \$10 worth of coupons. Since the coupons do not have printed expiration dates, expenditures may be deferred. However, the rate of coupon redemption at banks indicates that nearly all food coupons are used soon after they are issued.

CHARACTERISTICS OF PARTICIPANTS

The food stamp program in both Detroit and rural Fayette County drew participants primarily from families in the lowest levels of income (figs. 1 and 2, not printed in RECORD). In most of these families (80 percent), the head of the household was unemployed and incomes had been at their current low levels for a year or more. Over 60 percent of these families reported that their incomes in September-October 1961 were the same or more than they had been in 1960. Of those reporting reduced incomes, many had had prior incomes that were only slightly higher, and would have qualified for participation if the food stamp program had been operating during 1960.

Among participating families interviewed in Detroit and rural Fayette County, about 9 out of 10 had incomes at least 25 percent below the maximum permissible under the program. Many had incomes more than 50 percent below qualifying standards.

Participating and qualified nonparticipating families were separated into low, middle, and upper levels of qualifying incomes (figs. 1 and 2, not printed in RECORD). These are equivalent to less than 50 percent, 50 to 74 percent, and 75 to 100 percent of the maximum family incomes permitted under the food stamp program.

Since families with lowest incomes received the largest subsidization (free food coupons), most of the participants were in the higher subsidization levels. Not many qualified families with incomes near the maximum chose to participate in the program. According to program sources, bonus or free coupons have accounted for about 36 percent of the total coupons issued in Detroit and 39 percent in Fayette County. Participants have paid for more than 60 percent of the food coupons in both areas.

Families already receiving aid under public and general assistance programs constituted about 25 percent of the participants in the food stamp program in Detroit and 45 percent in rural Fayette County. Thus, although many unemployable needy (aged, blind, disabled; also dependent children) received food coupons, most of the recipients were employable but jobless or doing unskilled and part-time work, with incomes low enough to qualify them for the food stamp program. The employable needy included families receiving cash assistance from local public and private agencies, and families receiving no outside assistance.

The food stamp program had greatest appeal to large families. Over two-thirds of

² A survey also was conducted in urban areas of Fayette County. The findings are in process of tabulation.

³ Families having at least 1 member eating 10 or more meals at home during the week preceding the interview.

the participating households had four or more family members. Relatively few one-member households were participating in either Detroit or Fayette County.

The program is serving many families in which the homemaker has a limited formal education. In approximately 40 percent of the participating families in Detroit, and 60 percent in rural portions of Fayette County, the homemaker had only a primary school (8 years) education or less.

The program also appeals most to young or middle-aged families. In more than 75 percent of the participating households interviewed, the homemaker was less than 50 years of age. In contrast, homemakers were under 50 in only 55 percent of households qualified but not participating in the program.

A comparison of participating families and qualified nonparticipants (figs. 1 and 2, not

printed in RECORD) indicates that the program had been effective in serving families in the lowest economic levels, and large families. It has been somewhat less effective in obtaining participation from the older and smaller family units. Further study may indicate the need for adjustments in coupon purchase and bonus requirements for certain classes of qualified households.

CHANGES IN FOOD CONSUMPTION

Money value of foods consumed

Needy families participating in the food stamp program have substantially increased their consumption of food, in terms of dollar value, since initiation of the program. In Detroit, the money value of foods consumed during September-October was 34 percent greater than during the preprogram survey period. In rural Fayette County, an increase of 9 percent was found (table 3).

TABLE 3.—Retail value of food consumed in a week per member of participating families, before and after initiation of Federal food stamp program, Detroit, Mich., and rural Fayette County, Pa., 1961¹

Food	Detroit			Rural Fayette County		
	April-May	September-October	Difference (percent)	April-May	September-October	Difference (percent)
Meat.....	\$1.26	\$1.86	48	\$1.21	\$1.31	8
Poultry.....	.30	.40	33	.12	.18	50
Fish.....	.14	.24	71	.10	.08	-20
Milk, cream, ice cream, and cheese.....	.56	.80	43	.72	.88	22
Eggs.....	.25	.21	-16	.32	.23	-28
Total.....	2.51	3.51	40	2.47	2.68	9
Fats and oils.....	.26	.27	4	.36	.28	-22
Flour and other cereal products.....	.40	.41	2	.45	.43	-6
Bakery products.....	.30	.44	47	.35	.50	43
Sugars, sweets.....	.18	.22	22	.27	.28	4
Total.....	1.14	1.34	18	1.43	1.49	4
Fresh vegetables.....	.26	.38	46	.24	.40	67
Potatoes, sweet potatoes.....	.11	.14	27	.13	.12	-8
Fresh fruits.....	.14	.25	79	.15	.26	73
Commercially frozen fruits and vegetables.....	.02	.04	100	(2)	(2)	0
Commercially canned fruits and vegetables.....	.16	.21	31	.29	.23	-21
Fruit and vegetable juices, fresh, frozen, canned, powdered.....	.03	.06	100	.03	.05	67
Dried fruits and vegetables.....	.07	.07	0	.10	.07	-30
Total.....	.79	1.15	46	.94	1.13	20
Beverages.....	.16	.21	31	.29	.32	10
Miscellaneous foods.....	.30	.37	23	.37	.37	0
Total.....	.46	.58	26	.66	.69	5
All foods.....	4.90	6.58	34	5.50	5.99	9

¹ Before adjustment for seasonal changes in price and foods consumed. In September-October, prices paid by low-income families were less than in April-May (2.3 percent less in Detroit and 6.3 percent less in rural Fayette County). Includes money value for home-produced, gift, and federally donated foods.

² Less than 0.01.

In contrast, qualifying nonparticipants were using foods during September-October with less money value than during April-May—1 percent less in Detroit and 7 percent less in rural Fayette County. This reduction is attributable in part to seasonal changes in food consumption and prices. An index of retail food prices was constructed from the prices paid and quantities of foods used by the nonqualifying low-income families. It showed a reduction of 2 percent in Detroit and 6 percent in rural Fayette County.

On a per capita basis, the average money value of foods consumed in a week by food coupon recipients in Detroit during September-October was \$1.68 more than in April-May. Among participating families in rural Fayette County, food consumption was up \$0.49 per person per week.

Approximately 82 percent of the participating families in Detroit and 93 percent of those in rural Fayette County were obtaining donated commodities in April-May through the direct distribution program. Values in table 3 for consumption during April-May include estimated retail prices for

federally donated foods received. Thus, increases in dollar value of foods consumed during September-October represent actual increases in consumption of foods from all sources, and not merely in expenditures.

Meats and other animal products (excluding eggs), and fruits and vegetables, were the main groups of food which increased in money value in the program period (table 3). Prepared bakery products also increased in value.

Participating families in both areas had considerably more fresh fruits and vegetables and fresh and processed juices in September-October. Although lower seasonal prices for fresh produce may have contributed to the increase, it was found that the value of produce used by qualified nonparticipating families in both areas remained relatively unchanged from the April-May level.

The combined money value of meats, poultry, fish, milk, and eggs, as a group, increased 40 percent in Detroit and only 9 percent in rural Fayette County. In Detroit, meats alone accounted for over one-third of

the net increase in the dollar value of foods consumed by participating families. This increase resulted from a rise of about 1 pound per capita in meat consumption rather than from a shift to more expensive meats. The average price of meats consumed rose only from \$0.46 to \$0.48 per pound between the survey periods.

The combined money value of milk, cream, ice cream, and cheese rose in both Detroit (43 percent) and rural Fayette County (22 percent). These increases, however, reflected partial substitution of fluid whole milk for the less expensive nonfat dry milk solids previously made available through the direct distribution program.

Eggs were the only food which had a lower money value in September-October in both areas. An important element in consumption during April and May was the receipt of federally donated dried eggs by most of these families. Reductions in egg consumption during September and October were also observed among the other low-income groups—both qualified and nonqualified nonparticipating families. Price information obtained from the surveys indicates also that these low-income families were paying more for shell eggs in September-October than in April-May.

Limited increases in money value of beverages and miscellaneous foods occurred in both areas. Increases were equivalent to \$0.12 per person in Detroit and \$0.03 per person in rural Fayette County.

No major rise in money value of food usually considered luxury items was found in either pilot area. Money value of all foods consumed by participants in the food stamp program gained, relative to that of families with comparable incomes who did not participate. Program participants narrowed the gap between the money value of their food and that of families in the same areas with higher incomes. The money value of meats and other animal products, fruits and vegetables, beverages, and miscellaneous foods consumed by food coupon users, however, continued to be less than that of families with incomes above the needy level.

Quantities and prices of foods consumed

Quantities of most major groups of foods used by participants increased in the program period (table 4). Variations in quantities were generally similar to the changes found in money value. However, a comparison of pound and dollar measures shows important shifts to items of higher or lower average price within several groups of foods.

In September and October 1961, participants in both areas were consuming foods of higher average price than in April-May in the following categories: Fish, fluid milk and milk products (excluding butter), bakery products, and fruit and vegetable juices. The fats and oils, fresh vegetables, and miscellaneous items they consumed were of lower average price. The price per pound was only slightly changed for meat and poultry, for frozen, canned, and dried fruits and vegetables, and for beverages. Divergent patterns were found in the two areas for prices of sugars and sweets, flour and cereals, fresh fruits, and potatoes.

Some of the major shifts in average prices may be explained by cancellation of donated commodities. Substitution of fluid whole milk and other more expensive milk products for the donated nonfat dry milk solids would account for a part of the increase in the average value per pound of fluid milk and dairy products (excluding butter). Among Detroit participants, quantities of milk and dairy products consumed rose only 1 percent, whereas the money value rose more than 40 percent. Rural Fayette County participants were consuming 17 percent less of these products but 22 percent more in money value in September-October than in April-May.

Increases in average price of bakery products consumed also may reflect cancellation

of commodity donations. The direct distribution program provided the primary ingredients for home baking of many products.

Elimination of federally donated butter may account for much of the reduction in average money value per pound for fats and oils. Similar reductions in money value were found in both areas.

Seasonal changes in prices and availability of fresh foods also contributed to variations in average money value of several foods consumed. During the September-October period, for example, the quantity of fresh vegetables participants used in Detroit was 125 percent more than during the spring survey. The money value, in contrast, increased by 46 percent. In rural Fayette

County, 171 percent more fresh vegetables were used but their money value was only 67 percent above the April-May level.

As consumption data for individual commodities or products become available, the type and extent of shifts in consumption will be easier to see. Most of the needy families participating in the food stamp program consumed relatively few kinds of foods. In the April-May survey, for example, the average family in both Detroit and Fayette County was using less than 45 different foods. Approximately 150 foods accounted for as much as 95 percent of the total food consumption by these low-income families. Therefore shifts in consumption, in quantity or money value, may involve a limited number of food items.

troit received supplemental foods as gifts or pay. In contrast, nearly two-thirds of the rural families in Fayette County were using such foods during September and October.

Nearly all of the rural families in Fayette County were using nonpurchased foods—home-produced, gift, or pay. For 60 percent of these families the money value of nonpurchased foods consumed in a week during September and October was more than \$1 per household. For almost 40 percent of the participating rural families, the value was greater than \$2.

This difference in food sources available (purchased, home produced, gift, or pay) to urban and rural families partially explains variations in the effect of the pilot food stamp program in Detroit and rural Fayette County. Consumption in Detroit during September and October by food coupon recipients was based primarily on availability of foods for sale in the market. Consumption by rural families in Fayette County reflected availability of nonpurchased foods to a greater extent.

NEW FOOD PURCHASING POWER

A special analysis was undertaken to measure the efficiency of the food stamp program as a mechanism for expanding the market for food.

Basically, this efficiency is related to two factors: (1) The establishment of coupon purchase requirements at levels which closely represent the amounts participating families could be expected to spend for food in the absence of such a program; and (2) the degree of compliance obtained, on the part of both retailers and participants, with program regulations which limit the use of coupons to the purchase of eligible foods.

Amounts normally spent for food vary considerably even among families of the same size and approximately the same income. The variations are explained in part by the composition of the family, the importance the family places on food, fixed payments for rent, and unusual expenses, such as those for medical care. It was not feasible under the pilot food stamp program to establish individual purchase requirements for each applicant family. Rather, the purchase requirements were average amounts, based upon data largely derived from the Department's 1955 household food consumption survey.

Thus, an individual family participating in the program might have been spending somewhat less, or somewhat more, for food than the purchase requirement established under the program. Among program participants included in the matched households, it is estimated that approximately 20 percent of the Detroit families and 25 percent of the rural Fayette County families were spending less for food in April-May than they were paying for coupons in September-October.⁵ The remaining families appeared to have been spending as much or more for food in April-May than the established coupon purchase requirement.

It was anticipated, however, that the total amount of money collected from participants would closely approximate their total preprogram expenditures for food, despite differences on an individual family basis. If this were true, and if there was close compliance with regulations governing the use of the coupons, actual increases in food expenditures under the program should be close to the value of free coupons issued under the program.

This was found to be the case. Expanded use of purchased food by participating families appears to have accounted for the entire free coupon subsidy in Detroit and for more than 80 percent of the subsidy in rural Fayette County.

⁵ An adjustment was calculated for the foods not eligible for purchase with coupons.

TABLE 4.—Quantities of specified foods consumed in a week per member of participating families, before and after initiation of Federal food stamp program, Detroit, Mich., and rural Fayette County, Pa., 1961¹

Food	Detroit			Rural Fayette County		
	April-May	September-October	Difference	April-May	September-October	Difference
	Pounds	Pounds	Percent	Pounds	Pounds	Percent
Meat.....	2.753	3.782	37.4	2.507	2.522	0.6
Poultry.....	1.014	1.348	32.9	.373	.608	63.0
Fish.....	.364	.471	29.4	.257	.180	-30.0
Milk, cream, ice cream, and cheese ²	7.372	7.438	.9	9.954	8.222	-17.4
Eggs.....	.754	.602	-20.2	.950	.661	-30.4
Fats and oils.....	.863	1.027	19.0	1.161	1.176	1.3
Flour and other cereal products.....	2.516	2.509	-.3	3.553	2.715	-23.6
Bakery products.....	1.567	2.827	29.4	1.603	2.122	32.4
Sugars, sweets.....	1.143	1.230	7.6	1.465	1.605	9.6
Fresh vegetables.....	1.806	4.062	124.9	1.810	4.905	171.0
Potatoes, sweetpotatoes.....	1.875	1.973	5.2	3.186	2.658	-16.6
Fresh fruits.....	1.564	2.618	67.4	1.337	2.392	78.9
Commercially frozen fruits and vegetables.....	.049	.096	95.9	.012	.016	33.3
Commercially canned fruits and vegetables.....	.824	1.085	31.7	1.597	1.257	-21.3
Fruit and vegetable juices, fresh, frozen, canned, powdered.....	.307	.539	75.6	.313	.420	34.2
Dried fruits and vegetables.....	.354	.337	-4.8	.505	.313	-38.0
Beverages.....	.622	.877	41.0	.740	.837	13.1
Miscellaneous foods.....	.867	1.135	30.9	1.270	1.439	13.3

¹ Before adjustment for seasonal changes in price and foods consumed. Includes home-produced, gift, and federally donated as well as purchased foods.

² Fluid milk equivalent.

SOURCE OF FOOD

During the preprogram period, rural families in Fayette County were consuming foods from all sources (purchased and non-

purchased) of greater money value per capita than the families in Detroit. By September and October 1961, this situation was reversed (table 5).

TABLE 5.—Participating families: Money value of food used per person in 1 week (21 meals), by source of foods, before and after initiation of the pilot food stamp program, Detroit, Mich., and rural Fayette County, Pa., 1961¹

Source of food	Detroit		Rural Fayette County	
	April-May	September-October	April-May	September-October
Purchased.....	\$4.21	\$6.43	\$4.23	\$5.45
Federally donated.....	.63	-----	1.00	-----
Home produced.....	.01	.01	.23	.36
Other ²	.05	.14	.04	.18
All sources.....	4.09	6.58	5.50	5.99

¹ No adjustment for seasonal changes in foods used or prices.

² Primarily foods received as gifts or payment in kind. September-October figures also include minor amounts for federally donated foods still available to the household.

Before the pilot food stamp program was initiated, food expense for families in both areas was approximately the same. Differences in total money value arose from the greater money value of federally donated and home-produced foods used by rural families in Fayette County.

Increases in money value of foods consumed by food coupon recipients in September-October in Detroit resulted almost entirely from greater use of purchased foods. Although rural Fayette County families also used purchased foods of greater money value, they were using more foods produced at home

or received as gifts or pay during September and October.

Home-produced foods constituted a negligible part of consumption by participants in Detroit. In contrast, almost one-half of the rural Fayette County families reported using home-produced foods during April and May—and two-thirds in September and October. The money value of home-produced foods used by most of these rural families was low. However, 15 to 20 percent of the families were using home-produced foods in a week valued at \$2 or more.

Similarly, few participating families in De-

These findings for Detroit and rural Fayette County indicate that the food stamp program was an efficient method of using Government money to increase food consumption by needy participants. A very high percentage of the Federal subsidy was used to create a net expansion in the retail food market—the coupon purchase requirements tended to maintain preprogram levels of food expenditures by participating families. Thus, the Government's contribution was effective in meeting the dual objectives of supplementing food consumption by needy families and providing an expanded market for the output of the Nation's farms.

CHANGES IN DIETARY LEVELS

The effectiveness of the food stamp program in improving the nutritional quality of diets of needy families has been investigated. Comparison has been made of the dietary levels of participating families before and during the program in both Detroit and rural Fayette County. Dietary levels were evaluated in terms of the percentage of each group of families whose diets met the allowances recommended by the Food and Nutrition Board of the National Research Council for each of eight nutrients, and then summarized in terms of the percentage of each group whose diets met the allowances for all eight nutrients.

Individual nutrients

In comparison with recommended allowances, diets of the participating families in April-May were found to be shortest in calcium and ascorbic acid (table 6 and figure 3). Only about 40 percent of the Detroit diets met calcium allowances; about the same proportion of the rural Fayette County diets met ascorbic acid allowances. Many more diets provided allowances for other nutrients but for each nutrient some diets were below allowances. Roughly 60 percent to well over 70 percent met allowances for vitamin A value and riboflavin. At least 80 percent of the diets provided allowances for other nutrients.

In September-October, diets were considerably higher in ascorbic acid, close to 70 percent of the families having diets meeting allowances in this nutrient. Diets also were greater in vitamin A value, the percentages of families with diets meeting allowances increasing by at least 10 percentage points. Calcium and riboflavin levels rose markedly only in Detroit, bringing the diets meeting calcium allowances to 55 percent and those meeting riboflavin allowances to 84 percent.

Many families used their increased food-purchasing power in the program period for extra amounts of foods rich in the nutrients

that were shortest in their family diets. Higher levels of ascorbic acid and vitamin A value were the result of more fruits and vegetables; families in Detroit consumed 50 percent more fruits and vegetables and rural families in Fayette County over 30 percent more. In rural Fayette County it seems clear that more home produce and lower food prices, particularly for fruits and vegetables in season, helped to improve diets since nonparticipants also had better diets in the later period (table 7). In Detroit there is no conclusive evidence that season was an important factor in dietary levels.

Calcium and riboflavin in Detroit diets were increased by use of about 50 percent more vegetables, about 35 percent more meat, poultry, and fish, and somewhat under 10 percent more grain products (flour equivalent). In rural Fayette County, however, changes in consumption of these three groups of food were about plus 5, plus 30, and minus 10 percent, respectively, and therefore in combination did not improve diets in calcium and riboflavin. The reduced consumption of grain products by participants in rural Fayette County was accompanied by a shift from flour, cereals, and meals (four such items were federally donated in April-May) to more expensive commercially baked goods.

TABLE 6.—Percentages of diets meeting recommended allowances for 8 nutrients, average amounts per nutrition unit per day of these nutrients in food supplies, and average amounts of groups of food consumed per person per week, by participants in food-stamp program, matched families, Detroit, Mich., and rural Fayette County, Pa., 1961¹

Nutrient or food group	Detroit			Rural Fayette County		
	April-May	September-October	Difference	April-May	September-October	Difference
Households.....number.....	87	87	-----	71	71	-----
Diets meeting recommended allowances						
All 8 nutrients.....percent.....	29	48	² 19	26	39	13
Protein.....do.....	88	92	4	84	90	6
Calcium.....do.....	41	55	14	50	52	2
Iron.....do.....	90	92	2	87	88	0
Vitamin A value.....do.....	74	86	² 12	64	74	10
Thiamine.....do.....	82	85	3	84	84	0
Riboflavin.....do.....	74	84	8	77	76	-1
Niacin.....do.....	94	98	4	90	90	0
Ascorbic acid.....do.....	57	69	12	39	65	² 26
Average per day per nutrition unit (equivalent adult male unit)						
Food energy.....calories.....	4,398	5,365	967	4,853	4,897	44
Protein.....grams.....	114	139	25	123	117	-6
Calcium.....milligrams.....	757	843	86	903	800	-103
Iron.....do.....	17	21	4	19	18	-1
Vitamin A value.....international unit.....	10,760	15,050	4,290	8,740	8,980	240
Thiamine.....milligrams.....	2.37	2.84	.47	2.92	2.56	-.36
Riboflavin.....do.....	2.55	2.87	.32	2.91	2.55	-.36
Niacin.....do.....	29.4	36.4	7.0	29.0	29.2	.2
Ascorbic acid.....do.....	83	112	29	81	116	35
Average per week per person						
Milk, cream, ice cream, cheese (fluid milk equivalent).....pounds.....	7.36	7.44	0.08	9.96	8.23	-1.73
Meat, poultry, fish.....do.....	4.13	5.60	1.47	3.14	3.31	.17
Eggs.....do.....	.75	.60	-.15	.95	.66	-.29
Fruits, vegetables.....do.....	7.47	11.40	3.93	9.78	12.58	2.80
Grain products (flour equivalent).....do.....	3.56	11.86	.30	4.62	4.13	-.49
Fats, oils.....do.....	.86	1.03	.17	1.16	1.18	.02
Sugars, sweets.....do.....	1.14	1.23	.09	1.47	1.61	.14

¹ Matched families are defined in table 1, footnote 1.

² Statistically significant at the 5-percent level. Only the percentages of diets meeting recommended allowances have been tested for significance.

The major source of calcium and riboflavin in U.S. diets is milk and its products. In both places use of nonfat dry milk solids, federally donated in April-May, dropped considerably in September-October. The drop was fully balanced by increased use of fluid milk and other milk products in Detroit but not in rural Fayette County where milk (fluid equivalent) consumption decreased almost 20 percent. Total use of eggs, which furnish small amounts of riboflavin and most other nutrients, declined 20 percent in Detroit and 30 percent in rural Fayette County,

apparently due to lack of federally donated dried eggs and seasonally higher prices for shell eggs.

Overall diet quality

Only slightly more participating families in Detroit (29 percent) than in rural Fayette County (26 percent) had diets that met the recommended allowances for all eight nutrients in April-May (table 6). In both places the number of families with such diets increased considerably in September-October, the percentages becoming 48 in Detroit and 39 in rural Fayette County. Thus, about

two-thirds more participating families in Detroit and one-half more in rural Fayette County had diets meeting allowances in September-October than previously.

April-May dietary levels of qualified nonparticipants were similar to those of participants in both places (table 7). However, in September-October the percentages of participants with diets meeting allowances had increased 19 percentage points in Detroit and 13 in rural Fayette County, whereas proportions of qualified nonparticipants with such diets had increased negligibly (1 or 2 percentage points).

TABLE 7.—Number of matched households and percentage with diets meeting recommended allowances for 8 nutrients, by qualification and participation of households in food stamp program, Detroit, Mich., and rural Fayette County, Pa., April-May and September-October 1961¹

Location and status of matched households	Number in survey	Households with diets meeting NRC allowances for 8 nutrients		
		April-May (before stamp program)	September-October (during stamp program)	Difference
	Households	Percent	Percent	Percentage points
Detroit:				
Qualified for food stamp program:				
Participants.....	87	29	48	² 19
Nonparticipants.....	183	27	28	1
Total.....	270	28	34	6
Not qualified for food stamp program.....	78	33	32	-1
Rural Fayette County:				
Qualified for food stamp program:				
Participants.....	71	26	39	13
Nonparticipants.....	109	26	28	2
Total.....	180	26	32	6
Not qualified for food stamp program.....	111	46	51	5

¹ Matched households are defined in table 1, footnote 1.

² Statistically significant at the 5-percent level.

In a nationwide survey of food consumption in 1955, about 50 percent of nonfarm households in the North with incomes under \$4,000 had diets that met allowances for all 8 nutrients. The food stamp program helped needy families in Detroit in September-October 1961 to attain similar dietary levels. The program, however, had somewhat less effect on the diets of families in rural Fayette County.

Better selection of foods rather than more food is the key to much of the superior nutritional quality of family diets in Detroit compared with those in rural Fayette County, especially in September-October under the food stamp program. On a per person basis meat, poultry, and fish were the only major group of foods consumed in greater quantity during either period in Detroit than in rural Fayette County. But the Detroit families consumed more of such extrarich sources of nutrients as citrus fruit, dark leafy greens, deep yellow vegetables, and pork.

CIVIL RIGHTS

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 15 minutes.

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Speaker, today I am introducing a bill to provide "that notwithstanding any other provision of law, no financial or other assistance may be furnished under any law of the United States, directly or indirectly, to or for the benefit of any program or activity carried out in any State or possession of the United States or in the District of Columbia, in the course of which any individual is discriminated against on the ground of his race, religion, color, ancestry, or national origin."

The Federal Government should not contribute in any way to segregated programs. In the 87th Congress I urged antidiscrimination amendments to bills for Federal programs such as, the Housing Act of 1961 and the Hill-Burton Hospital program. The time has come for

the Federal Government and the Congress unequivocally to oppose the use of Federal funds for segregated programs and to deny Federal funds to any program which discriminates against individuals because of race, creed, color, or national origin. Such action is consistent with the great foundation principles of our Nation and would be a major step in the enforcement of the Constitution.

Mississippi, a State which is receiving more Federal funds than it pays into the Treasury, is flagrantly disregarding the Constitution and the laws of the land. In an interim report the Civil Rights Commission suggested that Federal funds be denied to Mississippi. However, the restriction of Federal funds should be applied across the board, not just to Mississippi. Funds should be denied to any program administered by any State, locality or agency which discriminates against American citizens in violation of our great democratic principles and the Constitution.

When I introduced H.R. 4586 to deny funds to any educational institution which discriminates against students or prospective students on account of race, religion, color, ancestry, or national origin, I pointed out that the University of Mississippi received \$73,688 in Federal funds from the summer of 1959 and through the academic year 1961-62. The University of Mississippi, however, is only one example of Federal funds being used in segregated programs. The bill I introduced today will cover all programs, whether in Mississippi or any other State in the Nation.

Mr. Speaker, at a time when American citizens are courageously struggling for their constitutional rights and are being shot, beaten, jailed, and harassed for doing so, it is imperative that the Congress and the administration take all possible steps to eliminate segregation.

Mr. Speaker, I ask unanimous consent to include at this point in the RECORD the interim report of the Civil Rights Commission which was issued on April 16 while the House was in recess.

The SPEAKER pro tempore (Mr. LIBONATI). Without objection, it is so ordered.

There was no objection.

The report referred to is, as follows:

INTERIM REPORT OF THE U.S. COMMISSION ON CIVIL RIGHTS

Pursuant to its statutory duty to submit reports to the President and to Congress at such times as either the Commission or the President shall deem desirable, the U.S. Commission on Civil Rights submits the following special report with respect to the status of equal protection of the laws in the State of Mississippi:

Since October 1962, the open and flagrant violation of constitutional guarantees in Mississippi has precipitated serious conflict which, on several occasions, has reached the point of crisis. The U.S. Commission on Civil Rights has become increasingly alarmed at this defiance of the Constitution. Each week brings fresh evidence of the danger of a complete breakdown of law and order.

Citizens of the United States have been shot, set upon by vicious dogs, beaten, and otherwise terrorized because they sought to vote. Since October, students have been fired upon, ministers have been assaulted, and the home of the vice chairman of the State advisory committee to this Commission has been bombed. Another member and his wife were jailed on trumped up charges after their home had been defiled. Even children, at the brink of starvation, have been deprived of assistance by the callous and discriminatory acts of Mississippi officials administering Federal funds.

All this affronts the conscience of the Nation.

The Commission is fully aware that the administration has followed developments in Mississippi closely, that it has taken strong and vigorous action in assuring that violators of Federal law are prosecuted, and that court orders are enforced. Despite the diligent and aggressive handling of each case as it has arisen, the Nation must be concerned that the pattern of unlawful activity shows no sign of abating. Moreover, 9 years after the Supreme Court unanimously decided that segregation in public elementary and secondary schools violates the equal protection clause of the Constitution, Mississippi has taken no step to comply with the law of the land.

Since its organization, the Commission has been deeply concerned with developments in Mississippi. Its hearing scheduled for October 1962 in that State was first postponed at the request of the Attorney General of the United States, and finally canceled. On March 26, the Attorney General, after referring to the Barnett case, stated that "while this case is pending, I continue to hold the view that a public hearing in Mississippi by the Civil Rights Commission would not be appropriate. In the meantime, I hope that the work of the Commission staff can continue as in the past on the question of the operation of Federal programs in Mississippi as elsewhere."

Since October the Commission has received more than 100 complaints from Mississippi alleging denials of constitutional rights. Investigation of these complaints, reports of our State advisory committee, and other evidence confirm the conclusion of the Commission that prompt and firm action is now required. The Commission has concluded unanimously that only further steps by the Federal Government can arrest the subversion of the Constitution in Mississippi.

The Commission notes the action taken by the President of the United States in employing the force necessary to assure compliance with the court decrees in the University of Mississippi case. It is mindful of the unequivocal public statements of the President expressing his belief that discrim-

inatory practices are morally wrong. The Commission, nevertheless, believes that the President should, consistent with his constitutional and statutory authority, employ to the fullest the legal and moral powers of his office to the end that American citizenship will not continue to be degraded in Mississippi. We urgently request that (1) the President formally reiterate his concern over the Mississippi situation by requesting all persons in that State to join in protecting the rights of U.S. citizens, and, in accordance with his duty to take care that the laws be faithfully executed, by directing them to comply with the Constitution and laws of the United States; (2) the President continue and strengthen his administration's efforts to suppress existing lawlessness and provide Federal protection to citizens in the exercise of their basic constitutional rights; and (3) the Congress and the President consider seriously whether legislation is appropriate and desirable to assure that Federal funds contributed by citizens of all States not be made available to any State which continues to refuse to abide by the Constitution and laws of the United States; and, further, that the President explore the legal authority he possesses as Chief Executive to withhold Federal funds from the State of Mississippi, until the State of Mississippi demonstrates its compliance with the Constitution and laws of the United States.

The people of Mississippi and of the other States should know that according to information available to the Commission in fiscal year 1962, the Federal Government received from all sources in Mississippi \$270 million. During the same period, payments from the Federal Government to the State, counties, municipalities and individuals exceeded \$650 million for grant-in-aid programs, U.S. Corps of Engineers construction contracts, military prime contracts, and direct civilian and military payrolls. Examples of additional Federal programs benefiting Mississippi include area redevelopment loans and grants, small business loans, accelerated public works projects, and Federal Aviation Agency grants.

Massive assistance to the economy of Mississippi has continued past the time when the State placed itself in direct defiance of the Constitution and Federal court orders. For example, the National Aeronautics and Space Agency is proceeding with plans to build a \$400 million moon rocket engine test center in Pearl River and Hancock Counties, Miss.

Taking into account the need to comply with statutory requirements which limit the discretion of the executive branch, and recognizing that the location of large Federal installations must reflect national needs, the Commission believes there is an overriding constitutional obligation to make certain that Federal funds are expended in a manner which will benefit all citizens without distinction. The Federal Aviation Agency failed to take cognizance of such an obligation when it granted \$2,180,000 for the construction of a jet airport to serve Jackson, Miss., without questioning the airport's plan to build separate eating and restroom facilities.

The financial benefits accruing to Mississippi and its citizens as a result of Federal programs are necessarily financed by American citizens throughout the Nation. The Commission deems it appropriate and desirable that the legislative and executive branches of the Federal Government inquire into the moral and legal considerations arising out of a situation where, in large measure, the lawless conduct and defiance of the Constitution by certain elements in one State are being subsidized by the other States.

The Commission does not want the people of Mississippi, either Negro or white, to lose benefits available to citizens of other States.

Rather, its goal is that all citizens in the United States be assured the full enjoyment of the rights guaranteed by the Constitution. It is upon adherence to that great charter with its powerful moral premises that our survival as a free society depends. Respectfully submitted.

JOHN A. HANNAH,

Chairman.

ROBERT G. STOREY,

Vice Chairman.

REV. THEODORE M. HESBURGH, C.S.C.

ROBERT S. RANKIN.

SPOTTSWOOD W. ROBINSON III.

ERWIN N. GRISWOLD.

APRIL 16, 1963.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ROOSEVELT (at the request of Mr. McFALL), for 10 days, on account of illness.

Mr. FORRESTER (at the request of Mr. ALBERT), for the remainder of the week, on account of illness.

Mr. WIDNALL (at the request of Mr. HALLECK), for the balance of the week of April 22, on account of official business attending the Inter-American Development Bank Conference.

Mr. TALCOTT (at the request of Mr. HALLECK), for indefinite period, on account of official business with the House Committee on Banking and Currency.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. SULLIVAN, for 30 minutes, today.

Mr. RYAN of New York, for 15 minutes, today.

Mr. WALLHAUSER (at the request of Mr. GOODLING), for 30 minutes, on April 25.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks, was granted to:

Mr. GROSS in two instances and to include extraneous matter.

Mr. KNOX.

Mr. MADDEN in three instances and to include an item from the New York Times.

Mr. MEADER in three instances and to include extraneous matter.

Mrs. SULLIVAN to revise and extend remarks made in her special order today and include extraneous matter.

Mr. McMILLAN following the passage of H.R. 5081.

Mr. ROOSEVELT (at the request of Mr. ALBERT) to insert his remarks during debate on House Resolution 317 and include extraneous matter.

Mr. O'HARA of Illinois in five instances.

Mr. LIBONATI and to include extraneous matter.

Mr. PUCINSKI in 10 instances.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. McFALL in two instances.

Mr. SENNER in eight instances.

Mr. FASCELL in two instances.

Mr. TOLL.

Mr. JOELSON.

Mr. ST. ONGE in three instances.

Mr. FLOOD in six instances.

Mr. HECHLER in three instances.

Mr. ULLMAN in five instances.

(The following Members (at the request of Mr. GOODLING) and to include extraneous matter:)

Mr. FINDLEY.

Mr. BARRY.

Mr. HORTON.

Mr. SHORT.

Mr. ALGER in eight instances.

Mr. HARVEY of Indiana.

Mr. WESTLAND in four instances.

Mr. DOLE.

Mr. BOB WILSON in three instances.

Mrs. ST. GEORGE.

Mr. SCHWENGEL.

Mr. CONTE.

Mr. KYL.

Mr. HALL.

Mr. CLANCY.

Mr. SAYLOR.

Mr. GUBSER.

Mr. MATHIAS in three instances.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 247. An act to authorize survey and establishment of a townsite for the Juneau Indian Village in Alaska; to the Committee on Interior and Insular Affairs.

S. 394. An act to validate the homestead entries of Leo F. Reeves; to the Committee on Interior and Insular Affairs.

S. 873. An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada; to the Committee on Interior and Insular Affairs.

S. Con. Res. 6. Concurrent resolution accepting the statue of the late John Burke, of North Dakota, and tendering thanks of Congress therefor; to the Committee on House Administration.

S. Con. Res. 7. Concurrent resolution authorizing the temporary placement in the rotunda of the Capitol of a statue of the late John Burke, of North Dakota, and the holding of ceremonies incident thereto; to the Committee on House Administration.

S. Con. Res. 8. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of the late John Burke, of North Dakota; to the Committee on House Administration.

S. Con. Res. 9. Concurrent resolution for ceremonies in the rotunda in connection with the statue of the late Joseph Ward, of South Dakota; to the Committee on House Administration.

S. Con. Res. 10. Concurrent resolution to tender the thanks of Congress to South Dakota for the statue of Joseph Ward, to be placed in Statuary Hall; to the Committee on House Administration.

S. Con. Res. 11. Concurrent resolution to print as a Senate document the proceedings at the acceptance of the statue of Joseph Ward, to be placed in Statuary Hall; to the Committee on House Administration.

S. Con. Res. 32. Concurrent resolution authorizing the printing for the use of the Senate Select Committee on Small Business of its hearing of the 87th Congress on "Space Satellite Communications"; to the Committee on House Administration.

S. Con. Res. 35. Concurrent resolution authorizing the printing of additional copies

88TH CONGRESS
1ST SESSION

S. 1387

IN THE SENATE OF THE UNITED STATES

APRIL 26, 1963

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a program of food assistance to be operated through normal channels of trade; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as "The Food Stamp Act of
4 1963."

5 DECLARATION OF POLICY

6 SEC. 2. It is hereby declared to be the policy of Con-
7 gress, in order to promote the general welfare, that the Na-

1 tion's abundance of food should be utilized to the maximum
2 extent practicable to safeguard the health and well-being of
3 the Nation's population and raise levels of nutrition among
4 economically needy households. The Congress hereby finds
5 that increased utilization of foods in establishing and main-
6 taining adequate national levels of nutrition will tend to cause
7 the distribution in a beneficial manner of our agricultural
8 abundances and will strengthen our agricultural economy, as
9 well as result in more orderly marketing and distribution of
10 food. To effectuate the policy of Congress and the purposes
11 of this Act, a food stamp program, which will permit those
12 households in economic need to receive a greater share of the
13 Nation's food abundance, is herein authorized.

14 DEFINITIONS

15 SEC. 3. As used in this Act—

16 (a) The term "Secretary" means the Secretary of Agri-
17 culture.

18 (b) The term "food" means any food or food product
19 for human consumption other than alcoholic beverages and
20 tobacco.

21 (c) The term "coupon" means any coupon, stamp, or
22 type of certificate issued pursuant to the provisions of this
23 Act.

24 (d) The term "coupon allotment" means the total

1 value of coupons to be issued to a household during each
2 month or other time period.

3 (e) The term "household" shall mean a group of re-
4 lated or nonrelated individuals, who are not residents of
5 an institution or boardinghouse, but are living as one
6 economic unit sharing common cooking facilities and for
7 whom food is customarily purchased in common. The term
8 "household" shall also mean a single individual living alone
9 who has cooking facilities and who purchases and prepares
10 food for home consumption.

11 (f) The term "retail food store" means an establish-
12 ment, including a recognized department thereof, or a house-
13 to-house trade route which sells food to households for home
14 consumption.

15 (g) The term "wholesale food concern" means an
16 establishment which sells food to retail food stores for resale
17 to households.

18 (h) The term "State agency" means the agency of
19 the State government which has responsibility for the
20 administration of the federally aided public assistance pro-
21 grams.

22 (i) The term "bank" means member or nonmember
23 banks of the Federal Reserve System.

1 (j) The term "State" means the fifty States and the
2 District of Columbia.

3 (k) The term "food stamp program" means any pro-
4 gram promulgated pursuant to the provisions of this Act.

5 ESTABLISHMENT OF THE FOOD STAMP PROGRAM

6 SEC. 4. (a) The Secretary shall formulate and administer
7 a food stamp program under which eligible households shall
8 be provided with an opportunity more nearly to obtain a
9 nutritionally adequate diet through the issuance to them of a
10 coupon allotment which shall have a greater monetary value
11 than their normal expenditures for food as determined by
12 the Secretary. The coupons so received by such households
13 shall be used only to purchase food from retail food stores
14 which have been approved for participation in the food stamp
15 program. Coupons issued and used as provided in this Act
16 shall be redeemable at face value by the Secretary through
17 the facilities of the Treasury of the United States.

18 (b) The Secretary shall, from time to time, issue such
19 regulations, not inconsistent with this Act, as he deems neces-
20 sary or appropriate for the effective and efficient administra-
21 tion of the food stamp program.

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

ISSUANCE AND USE OF COUPONS

SEC. 6. (a) The Secretary shall cause coupons to be printed in such denominations as he may determine, and shall make provision for their issuance only to households which have been duly certified as eligible to participate in the food stamp program.

(b) Coupons issued to eligible households shall be

1 used by them only to purchase food in retail food stores
2 which have been approved for participation in the food stamp
3 program.

4 VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE
5 MADE

6 SEC. 7. (a) The face value of the coupon allotment
7 which the Secretary shall authorize State agencies to issue
8 to households certified as eligible to participate in the food
9 stamp program shall be in such amount as will provide such
10 households with an opportunity more nearly to obtain a
11 nutritionally adequate diet.

12 (b) Households shall be charged such portion of the
13 face value of the coupon allotment issued to them as the
14 Secretary determines is equivalent to their normal expendi-
15 tures for food.

16 (c) The value of the coupon allotment provided to any
17 eligible household which is in excess of the amount charged
18 such households for such allotment shall not be considered
19 to be income or resources for any purpose under any Federal
20 or State laws including but not limited to, laws relating to
21 taxation, welfare, and public assistance programs.

22 (d) Funds derived from the charges made for the cou-
23 pon allotment shall be promptly deposited in a manner pre-
24 scribed by the Secretary in the regulations issued pursuant
25 to this Act, in a separate account maintained in the Treasury

1 of the United States for such purpose. Such deposits shall
2 be available, without limitation to fiscal years, for the
3 redemption of coupons.

4 APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD
5 CONCERNS

6 SEC. 8. (a) The Secretary shall provide in the regula-
7 tions issued pursuant to this Act for the submission of ap-
8 plications for approval by retail food stores and wholesale
9 food concerns which desire to participate in the food stamp
10 program and shall approve those applicants whose participa-
11 tion he determines will effectuate the purposes of the food
12 stamp program. In determining the qualifications of ap-
13 plicants the Secretary shall consider, among such other
14 factors as he may deem appropriate, the following: (1) the
15 nature and extent of the retail or wholesale food business
16 conducted by the applicant; (2) the volume of coupon busi-
17 ness which may reasonably be expected to be conducted by
18 the applicant retail food store or wholesale food concern;
19 and (3) the business integrity and reputation of the appli-
20 cant. Approval of an applicant shall be evidenced by the
21 issuance to such applicant of a nontransferable certificate of
22 approval.

23 (b) The Secretary shall in the regulations issued pur-
24 suant to this Act, require an applicant retail food store or
25 wholesale food concern to submit information which will

1 enable him to determine whether such applicant qualifies, or
2 continues to qualify, for approval under the provisions of this
3 Act or the regulations issued pursuant to this Act. The Sec-
4 retary shall provide in the regulations issued pursuant to this
5 Act for safeguards which restrict the use or disclosure of in-
6 formation obtained under the authority granted by this sub-
7 section to purposes directly connected with administration
8 and enforcement of the provisions of this Act or the regula-
9 tions issued pursuant to this Act.

10 (c) Any retail food store or wholesale food concern
11 which has failed upon application to receive the approval of
12 the Secretary to participate in the food stamp program may
13 obtain a hearing on such refusal as provided in section 13
14 of this Act.

15 REDEMPTION OF COUPONS

16 SEC. 9. In the regulations issued pursuant to this Act,
17 the Secretary shall provide for the redemption of coupons
18 accepted by retail food stores through approved wholesale
19 food concerns or through banks, with the cooperation of the
20 Treasury Department.

21 ADMINISTRATION

22 SEC. 10. (a) In the formulation and administration of
23 the food stamp program, the Secretary is authorized to enlist
24 the cooperation of existing Federal, State, local, or private
25 agencies and may utilize such agencies in the undertaking

1 of an educational program to encourage the purchase of
2 foods available in abundant supply or those most needed in
3 diets, and to improve nutritional knowledge of households
4 participating in the program.

5 (b) The Secretary may exercise any power, duty, or
6 discretion vested in him under this Act through such person
7 or persons as he may designate.

8 (c) The State agency of each participating State shall
9 assume responsibility for the certification of applicant house-
10 holds and for the issuance of coupons: *Provided*, That the
11 State agency may, subject to approval by the Secretary,
12 delegate its responsibility in connection with the issuance
13 of coupons to another agency of the State government.
14 There shall be kept such records as the Secretary may deter-
15 mine are necessary for him to ascertain whether the program
16 is being conducted in compliance with the provisions of this
17 Act and the regulations issued pursuant to this Act. Such
18 records shall be available for inspection and audit by the
19 Secretary at any reasonable time and shall be preserved
20 for such period of time, not in excess of three years, as the
21 Secretary determines is necessary or appropriate.

22 (d) In the administration of the food stamp program the
23 State agency shall not discriminate against any household by

1 reason of race, religious creed, national origin, or political
2 beliefs.

3 (e) Participating States or participating political sub-
4 divisions thereof shall not decrease welfare grants or other
5 similar aid extended to any person or persons as a conse-
6 quence of such person's or persons' participation in benefits
7 made available under the provisions of this Act or the regula-
8 tions issued pursuant to this Act.

9 (f) The State agency of each State desiring to partici-
10 pate in the food stamp program shall submit for the approval
11 of the Secretary a plan of operation specifying the manner
12 in which such program will be conducted within the State,
13 the political subdivisions within the State in which the State
14 desires to conduct the program, and the effective dates of
15 participation by each such political subdivision. In addi-
16 tion, such plan of operation shall provide, among such other
17 provisions as the Secretary may by regulation require, the
18 following: (1) the specific standards to be used in deter-
19 mining the eligibility of applicant households; (2) that the
20 State agency shall undertake the certification of applicant
21 households in accordance with the general procedures and
22 personnel standards used by them in the certification of ap-
23 plicants for benefits under the federally aided public assist-
24 ance programs; (3) safeguards which restrict the use or
25 disclosure of information obtained from applicant households

1 to persons directly connected with the administration or en-
2 forcement of the provisions of this Act or the regulations
3 issued pursuant to this Act; and (4) for the submission of
4 such reports and other information as the Secretary may from
5 time to time require.

6 (g) If the Secretary determines that in the adminis-
7 tration of the program there is a failure by a State agency
8 to comply substantially with the provisions of this Act, or
9 with the regulations issued pursuant to this Act, or with the
10 State plan of operation, the Secretary shall inform such State
11 agency of such failure and shall allow the State agency a
12 reasonable period of time for the correction of such failure.
13 Upon the expiration of such period, the Secretary may re-
14 quire that there be no further issuance of coupons in the politi-
15 cal subdivisions where such failure has occurred until such
16 time as corrective action satisfactory to the Secretary has
17 been taken.

18 DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLE-
19 SALE FOOD CONCERNS

20 SEC. 11. Any approved retail food store or wholesale
21 food concern may be disqualified from further participation
22 in the food stamp program, on a finding by the Secretary
23 that such store or concern has violated any of the provisions
24 of this Act, or of the regulations issued pursuant to this Act.
25 Such disqualification shall be for such period of time as the

1 Secretary may determine. The action of disqualification shall
2 be subject to review as provided in section 13 of this Act.
3 *Provided*, That, notwithstanding any of the other provisions
4 of this section or of section 13 of this Act, if the Secretary
5 has reason to believe that a serious or flagrant violation of
6 this Act or of the regulations issued pursuant to this Act, has
7 occurred or that there are facts or circumstances of a nature
8 which indicate a lack of ability or willingness on the part of
9 such store or concern to carry out properly the provisions of
10 the program, he may suspend such store or concern without
11 advance notice or hearing for such period, not in excess of
12 ninety days, as may be required to complete an investigation
13 and take such administrative action as may be found appro-
14 priate by the Secretary. Such suspension action shall not
15 constitute a final determination for the purpose of section 13
16 of this Act.

17 DETERMINATION AND DISPOSITION OF CLAIMS

18 SEC. 12. The Secretary shall have the power to deter-
19 mine the amount of and settle and adjust any claim and to
20 compromise or deny all or part of any such claim or claims
21 arising under the provisions of this Act or the regulations
22 issued pursuant to this Act.

23 ADMINISTRATIVE AND JUDICIAL REVIEW

24 SEC. 13. Whenever the Secretary (a) determines that
25 a retail food store or a wholesale food concern should not

1 be approved to participate in the food stamp program, (b)
2 disqualifies a retail food store or a wholesale food concern
3 under the provisions of section 11 of this Act, or (c) directs
4 the denial, under the provisions of section 12 of this Act,
5 of all or part of any claim of a retail food store or whole-
6 sale food concern, he shall cause notice of such administra-
7 tive action to be issued to the retail food store or wholesale
8 food concern involved. Such notice shall be delivered by
9 certified mail or personal service. If such store or concern
10 is aggrieved by the action of the Secretary, it may, in ac-
11 cordance with regulations promulgated by the Secretary,
12 within ten days of the date of delivery of such notice, file
13 a written request for an opportunity to submit information
14 in support of its position to such person or persons as the
15 Secretary may designate. If such a request is not made or
16 if such store or concern fails to submit information in support
17 of its position after filing a request, the administrative de-
18 termination of the Secretary shall be final. If such a request
19 is made by such store or concern, such information as may
20 be submitted by the store or concern, as well as such other
21 information as may be available to the Secretary, shall be
22 reviewed by the person or persons designated by the Secre-
23 tary, who shall, subject to the right of judicial review here-
24 inafter provided, make a determination which shall be final.
25 If the store or concern feels aggrieved by such final determi-

1 nation of the person or persons designated by the Secretary
2 he may obtain judicial review thereof, without regard to
3 the amount in controversy, by filing a complaint against the
4 United States in the United States district court for the
5 district in which he resides or is engaged in business within
6 thirty days after the date of delivery or service of the final
7 notice of determination upon him, requesting the court to
8 set aside such determination. Service of process in such
9 action shall be made in accordance with the rules for the
10 service of process upon the United States as prescribed by
11 the Rules of Civil Procedure for the United States District
12 Courts. The copy of the summons and complaint required
13 to be delivered to the official or agency whose order is being
14 attacked shall be sent to the Secretary or such person or
15 persons as he may designate to receive service of process.
16 The action in the United States district court shall be a trial
17 de novo by the court without a jury, in which the court
18 shall determine the validity of the questioned administrative
19 action in issue. If the court determines that such adminis-
20 trative action is invalid it shall enter such judgment or order
21 as it determines is in accordance with the law and the evi-
22 dence. During the pendency of such judicial review, or
23 any appeal therefrom, the administrative action under review
24 shall be and remain in full force and effect, unless on appli-
25 cation to the court on not less than ten days notice, and after

1 hearing thereon and a showing of irreparable injury, the
2 court temporarily stays such administrative action pending
3 disposition of such trial or appeal.

4 VIOLATIONS AND ENFORCEMENT

5 SEC. 14. (a) Notwithstanding any other provisions of
6 this Act, the Secretary may provide for the issuance or
7 presentment for redemption of coupons to such person or
8 persons, and at such times and in such manner, as he deems
9 necessary or appropriate to protect the interests of the United
10 States or to insure enforcement of the provisions of this
11 Act or the regulations issued pursuant to this Act.

12 (b) In addition to the jurisdiction vested in the United
13 States district courts by section 13 of this Act, such courts
14 are hereby severally vested with jurisdiction specifically to
15 enforce, and to prevent and restrain any person from violat-
16 ing, the provisions of this Act or the regulations issued pur-
17 suant to this Act. If and when the Secretary shall so
18 request, it shall be the duty of the several United States at-
19 torneys in their respective districts, acting under the direc-
20 tion of the Attorney General, to institute proceedings to
21 enforce the remedies provided for in this Act or the regula-
22 tions issued pursuant to this Act, to represent the United
23 States in any action for judicial review of any final admin-
24 istrative determination made under the provisions of section
25 13 of this Act, or to effect collection of any claims or in-

1 debtedness determined to be due the United States by the
2 Secretary under the provisions of this Act or the regulations
3 issued pursuant to this Act.

4 (c) Whoever knowingly uses, transfers, acquires, or
5 possesses coupons in any manner not authorized by this Act
6 or the regulations issued pursuant to this Act shall, if such
7 coupons are of the value of \$100 or more, be guilty of a
8 felony and shall, upon conviction thereof, be fined not more
9 than \$10,000 or imprisoned for not more than five years, or
10 both, or, if such coupons are of a value of less than \$100,
11 shall be guilty of a misdemeanor and shall, upon conviction
12 thereof, be fined not more than \$5,000 or imprisoned for
13 not more than one year, or both.

14 (d) Whoever presents, or causes to be presented,
15 coupons for payment or redemption of the value of \$100
16 or more, knowing the same to have been received, trans-
17 ferred, or used in any manner in violation of the provisions
18 of this Act or the regulations issued pursuant to this Act
19 shall be guilty of a felony and shall, upon conviction thereof,
20 be fined not more than \$10,000 or imprisoned for not more
21 than five years, or both, or, if such coupons are of a value of
22 less than \$100, shall be guilty of a misdemeanor and shall,
23 upon conviction thereof, be fined not more than \$5,000 or
24 imprisoned for not more than one year, or both.

25 (e) Coupons issued pursuant to this Act shall be deemed

1 to be obligations of the United States within the meaning of
2 title 18, United States Code, section 8.

3 PAYMENTS TO STATE AGENCIES

4 SEC. 15. The Secretary is authorized, in accordance
5 with the formula specified in this section, to make payments
6 to State agencies for the purpose of reimbursing such agen-
7 cies for part of the costs incurred in the certification of those
8 households which are not receiving benefits under the fed-
9 erally aided public assistance programs. The amount of
10 such payment to any one State agency shall be 50 per
11 centum of the sum of: (1) the direct salary costs (includ-
12 ing the cost of such fringe benefits as are normally paid to
13 its personnel by the State agency) of the personnel used to
14 make such interviews and such postinterview field investiga-
15 tions as are necessary to certify the eligibility of such house-
16 holds, and of the immediate supervisor of such personnel,
17 for such periods of time as they are employed in certifying
18 the eligibility of such households; (2) travel and related
19 costs incurred by such personnel in postinterview field inves-
20 tigations of such households; and (3) an amount not to
21 exceed 25 per centum of the costs computed under (1) and
22 (2) above.

23 APPROPRIATIONS

24 SEC. 16. (a) There are hereby authorized to be appro-
25 priated such sums as may be necessary to carry out the

1 provisions of this Act. Such portion of any such appropria-
2 tion as may be required to pay for the value of the coupon
3 allotments issued to eligible households which is in excess
4 of the charges paid by such households for such allotments
5 shall be transferred to and made a part of the separate account
6 created under section 7 (d) of this Act.

7 (b) In any fiscal year, the Secretary shall limit the value
8 of those coupons issued which is in excess of the value of
9 coupons for which households are charged, to an amount
10 which is not in excess of the portion of the appropriation
11 for such fiscal year which is transferred to the separate ac-
12 count under the provisions of subsection (a) of this section.

13 (c) If the Secretary determines that any of the funds
14 in the separate account created under section 7 (d) of this
15 Act are no longer required to carry out the provisions of this
16 Act, such portion of such funds shall be paid into the miscel-
17 laneous receipts of the Treasury.

A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a program of food assistance to be operated through normal channels of trade; and for other purposes.

By Mr. ELLENDER

APRIL 26, 1963

Read twice and referred to the Committee on
Agriculture and Forestry

APPENDIX

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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June 11, 1965

ITEMS IN APPENDIX

15. RECLAMATION. Extension of remarks of Sen. Hayden inserting the Reclamation Commissioner's remarks explaining the National Reclamation-Irrigation Program. pp. A3729-30
16. FOOD STAMP. Extension of remarks of Rep. Sullivan inserting her testimony favoring H. R. 5733, the administration measure for a nationwide food stamp program. pp. A3732-3
17. FARM PROGRAM. Extension of remarks of Rep. Berry including a letter criticizing farm programs as becoming socialistic. pp. A3735-6
18. FOREIGN AID. Extension of remarks of Rep. Gross inserting a statement claiming foreign aid affects adversely the U. S. economy. pp. A3742-3
19. LOANS. Extension of remarks of Rep. Younger inserting an editorial criticizing an FIA loan to convert from farming to recreation. p. A3746
20. TARIFFS. Extension of remarks of Rep. Reuss favoring the "unilateral or more-than-reciprocal reductions in Common Market tariffs" which "would not only help Europe to fight inflation" and "would also help the United States...to reduce its present payments imbalance with Europe." pp. A3747-8
21. PEACE CORPS. Extension of remarks of Rep. Monagan inserting an account of the experiences of a Peace Corps volunteer's efforts for youth agricultural leadership in Brazil. pp. A3751-2
22. 4-H CLUBS. Extension of remarks of Rep. Purcell inserting an article about a monther's five sons who are each holders of a 4-H Gold Star. pp. A3752-3

BILLS INTRODUCED

23. PERSONNEL. H. R. 6909, by Rep. Celler, to include certain officers and employees of the Department of Labor within the provisions of sections 111 and 1114 of title 18 of the United States Code relating to assaults and homicides; to Judiciary Committee.
H. R. 6914, by Rep. Hanna, to grant leave with pay for Government personnel engaged in any international athletic competition; to Post Office and Civil Service Committee.
24. FARM LABOR. S. 1703, by Sen. Allott, to amend title V of the Agricultural Act of 1949, as amended; to Labor and Public Welfare Committee. Remarks of author pp. 10021-2
H. R. 6928, by Rep. Gonzalez, to amend the act of June 6, 1933, as amended, to authorize the Secretary of Labor to develop and maintain improved, voluntary methods of recruiting, training, transporting, and distributing agricultural workers; to Education and Labor Committee.
25. TAXATION. H. R. 6908, by Rep. Alger, to equalize taxation and provide revenue; to Ways and Means Committee.
26. CLAIMS. H. R. 6910, by Rep. Celler, to provide for the settlement of claims against the United States by members of the uniformed services and civilian officers and employees of the United States for damage to, or loss of, personal property incident to their service; to Judiciary Committee.

27. INSECTICIDES. H. R. 6913, by Rep. Dingell, to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to provide for labeling of economic poisons with registration numbers, to eliminate registration under protest; to Agriculture Committee.
28. INFORMATION. H. R. 6916, by Rep. Jones, Missouri, to amend the act of January 12, 1895, to regulate and restrict the printing of certain extraneous matter in the Congressional Record, and to limit the number of insertions of extraneous matters in the Appendix of the Congressional Record; to House Administration Committee.
29. CONSUMERS. H. R. 6917, to establish an Office of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to act as a central clearing-house in Government for consumer complaints; to disseminate information to consumers; to Interstate and Foreign Commerce Committee.
30. PARKS. H. R. 6925, by Rep. Burton, to provide for the establishment of the Canyonlands National Park in the State of Utah; to Interior and Insular Affairs Committee.
31. SURPLUS COMMODITIES. H. R. 6932, by Rep. McIntire, to amend section 104 of Public Law 480, 83rd Congress, as amended; to Agriculture Committee.
32. RURAL LIFE. S. 1697, by Sen. Hartke, to establish a Commission on Rural Life to study the changing scope of rural America; to Agriculture and Forestry Committee. Remarks of author, pp. 9960-1
33. ELECTRICITY. S. 1699, by Sen. Magnuson, to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission; to Commerce Committee. Remarks of author, p. 9962
34. CIVIL DEFENSE. S. Res. 158, by Sen Young, Ohio, to establish a Select Committee on Civil Defense; to Armed Services Committee.

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COMMITTEE HEARINGS JUNE 12:

Cotton bill, H. Rules.

Food stamp bill, H. Agriculture (Members of Congress and public witnesses).

Increased durum wheat allotments for Tulalake area, Calif., H. Agriculture (exec).

Exemption of peanuts for boiling from allotments, H. Rules.

Water pollution control, H. Gov't Operations (Cliff, FS, to testify).

Federal farm employment service, S. Labor (Henning, Labor Dept., and farm groups to testify).

oOo

Whereas there could be no more suitable memorial to Lorenzo de Zavala than a State shrine embracing the site of his home where the wounded in the Battle of San Jacinto were hospitalized and also the nearby cemetery where he lies buried, immediately across the Houston Ship Channel from the San Jacinto battleground (and where also is buried David Thomas, first attorney general and for a time acting secretary of war of the Republic of Texas); and

Whereas such a State historic monument in the form of a park adjacent to the battleground not only would be a fitting tribute to Zavala's memory but also would enhance the scenic and aesthetic value of the battleground itself; and

Whereas a Lorenzo de Zavala shrine would be a source of particular pride to our large population of Mexican extraction, as well as to Texans generally; and

Whereas there is a bill in Congress to convey, out of the surplus Federal property which is the former San Jacinto Ordnance Depot, parcels A-23, A-25, A-26, A-27, and A-28, comprising 142 acres of the 177-acre Zavala homestead to the State of Texas as a historic monument; and

Whereas the Legislature of the State of Texas has enacted a bill to accept this property for a State shrine: Now, therefore, be it

Resolved, That the Harris County Historical Survey Committee, created by the Harris County Commissioners Court at the request of the Texas State Historical Survey Committee, an official agency of the State of Texas, does hereby urge the enactment of S. 261 by Senator RALPH YARBOROUGH of Texas and directs that copies of this resolution be sent to Texas Senators and Representatives in Congress and to the chairmen of the appropriate committees.

HAROLD G. PYLE,
Chairman.

FRANK E. TRITICO,
Secretary.

The Middle East Cauldron

EXTENSION OF REMARKS

OF

HON. LEVERETT SALTONSTALL

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, June 11, 1963

Mr. SALTONSTALL. Mr. President, last week the distinguished senior Senator from New York, Senator JAVITS, addressed the 11th Annual Convention of District 1, B'nai B'rith. Senator JAVITS spoke on the difficult situation which exists in the Middle East. As the Senator said in his remarks, the unrest and tension which exists in that area impedes peace not only in the Middle East but in the world. I ask unanimous consent that Senator JAVITS' remarks be printed in the Appendix of the RECORD so that the benefit of his analysis may be available to all.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The present crisis in the Middle East is deepening and the danger of war with Israel's existence at stake will not disappear as if my magic just because certain words are said and certain statements pronounced.

U.S. policy in the Middle East continues to be one of "quiet diplomacy" and the Middle East is the only part of the world where U.S. policy treats friends of

peace and foes of peace alike. This is an untenable and ill-advised posture for our Nation, and it is time we abandoned it.

With new fighting in Yemen; with Iraq teetering on the brink of civil war with the Kurds once more, and with Nasser's propaganda agitation and subversive activity going at full blast, it will take definite acts by the United States—not unilaterally but together with other nations—to halt the war threat in the Middle East and bring about a climate in which our objectives of peace and stability can be fully realized.

One action that we should take as soon as possible is to tighten up on our aid program to Egypt and make it clear to the President that he should suspend or withhold that assistance altogether if President Nasser continues his aggressive and warlike activities in violation of the express aims and objectives of the Foreign Assistance Act.

I have written to the Department of State to this effect and I shall introduce an amendment to the Foreign Assistance Act which will emphasize the President's authority to cut off aid to Egypt.

The grave concern felt in the Congress over the rampant hostilities in this region found full expression in the series of speeches and colloquies which took place in the House and the Senate. On April 30, I was joined by 15 of my colleagues on both sides of the aisle in an attack on the Soviet-Egyptian arms buildup and to call for a sharp change in our present policy of dealing even-handedly with friends and foes of peace alike in the Middle East. It is worth noticing that in 2 hours of discussion and debate on the Senate floor by Democrats and Republicans, not one voice was heard in defense of the State Department's policy in this respect.

We were heartened when President Kennedy, on May 8, issued the firmest and strongest statement on the Middle East he has made since he took office. At that time he told a press conference, and I quote:

"In the event of aggression or preparation for aggression, whether direct or indirect, we would support appropriate measures in the United Nations and adopt other courses of action on our own to prevent or put a stop to such aggression."

Now this should make it quite clear to President Nasser of Egypt where we stand. But President Nasser has a long memory; he knows that the Department of State does not think he is prepared to act the way he talks, and will react to his threats by giving him as before more economic assistance and more private and unpublicized appeals to be nice and not do anything rash.

That economic assistance which the United States is giving Nasser rescued him from the disastrous consequences of his own so-called Arab socialism—which was little more than an excuse to nationalize all private property. Egypt's cotton crop was being sold to the Soviets in return for modern guns, planes, and submarines, and the country was on the verge of starvation when we stepped in with a massive aid program that amounted to over \$250 million last year alone, most of it in surplus foods.

We did it because it was said this was an opportunity to get Egypt away from its entanglement with the Soviet Union and back into the Western sphere of influence again. And for a time it seemed to work; President Nasser paid off Great Britain and France for his seizure of the Suez Canal; Egypt's trade with Europe began to pick up again; and some effort was begun to improve the miserable living standards of the Egyptian masses.

Once the panic over the fear of starvation and revolt was gone, President Nasser began his familiar tactics of agitation and subversion, boasting of his new jet bombers that could destroy the oil fields of Saudi Arabia, and his new missiles which could reach, as

he put it, south of Syria; and everyone knew that he meant Israel.

That was the beginning of the present crisis, and the next steps followed quickly.

First, came the Nasser-engineered revolt in Yemen last year. He poured 30,000 Egyptian troops, tanks and planes into a war against the new imam, a Western-educated ruler who had just begun to take his nation out of its primitive condition. Nasser's planes, some of them allegedly piloted by Russians, and all of them serviced by Communist ground crews, bombed Saudi Arabian towns and dropped boobytrapped toys and trinkets.

For a time it looked as if the war might spread, and when proroyalist Yemen tribesmen began to beat back the so-called republican forces and their Egyptian allies, the State Department abruptly stepped into the picture. In exchange for a vague promise from Nasser to withdraw his troops, the United States suddenly recognized the new Yemen régime, even though it had no popular support and no chance of survival without the protection of Egyptian troops. The British protested our action as premature and even our own diplomats in some Middle East countries were shocked by this appeasement of Nasser.

Today, 6 months later, Nasser is still in Yemen, vowing to keep his troops there until he wins, and Maj. Gen. Anwar Qadi, his commander in Yemen, is warning that "reactionaries" should not be misled into believing that "we shall pull out before realizing all the objectives of our mission." Meanwhile the Department of State has turned over the hot Yemen problem to the United Nations and is urging speedy implementation of the withdrawal agreement drafted by our special envoy, Ellsworth Bunker.

The second factor contributing to the present crisis was the disclosure that German scientists and technicians, many of them diehard Nazis, were working for Nasser to develop nuclear warhead missiles. Something like a shudder of horror went through the civilized world over the realization that Nazis could still be working for the destruction of Jews 18 years after Hitler Germany had been smashed to the ground. The present German Government of Chancellor Adenauer has ordered its scientists and technicians to return home, and the United States has flatly banned the introduction of nuclear weapons into the Middle East, but Egyptian rockets even with conventional warheads could cause horrible devastation in crowded Tel Aviv and Haifa.

The third action that triggered Israel's alarm was the open declaration in the Cairo charter of April 17 that the avowed object of the new Arab federation of Egypt, Syria, and Iraq was to destroy Israel. At the same time Egypt resumed her propaganda war and subversive agitation in order to stir up revolt in Jordan and possibly Saudi Arabia too. These were followed by riots in Jordan and Egyptian incitement to assassinate King Hussein—an action that could start Israeli armed forces moving toward the west bank of the Jordan. The Government of Israel has formally protested to the Security Council of the United Nations against this new threat to peace.

In a letter to me dated May 20, the Department of State expressed the view that Israel was in no immediate danger and said also that—and I quote—"the aid program in the UAR is tailored as carefully as possible so as not to free resources for arming." But the Department also admits—and again I quote—that "obviously the UAR in its military program absorbs resources which might otherwise contribute to development. But U.S. interests will not be served by ignoring or rejecting the legitimate needs of the people for economic progress or, for that matter, of food itself."

I must take issue, however, with the view that there is no immediate danger to Israel. I feel there is such danger and that it may be imminent.

The unrest and tension imperils not only peace in the Middle East but in the world. The Department of State should not allow of the criticism that our Government fails to act when there is still time and room to do so. I am convinced that we must take steps now to assure the security of Israel and the entire region not by works alone but by action. And one critical place to act is the massive U.S. aid program to the United Arab Republic.

The contention that we would be ignoring the legitimate needs of the Egyptian people if we conditioned our aid to President Nasser on a cessation of the arms race is not valid. On the contrary, we would be truly helping the people of Egypt by bringing them face to face with the consequences of President Nasser's policies so that they can be changed. As it is, their condition has not been materially improved.

Regarding the security of the Middle East, I am convinced that a mutual defense agreement, joined in by the United States, the United Kingdom, and France, with Israel and any other Middle East state willing to assume its obligations, is essential.

B'nai B'rith has a long and honorable history of association with the development of Palestine and the upbuilding of the State of Israel. In Israel, it participates directly and through its membership in a children's home, the Hillel Foundation at Hebrew University, and in other institutions of welfare, health, and education. Through its Israel Committee it contributes substantially by the purchase of Israel bonds and the support of the United Jewish Appeal. Thus, B'nai B'rith, like the United States, has an important stake in the security and independence of Israel, and I would urge you to defend that stake with all your rights as Americans. Congress will take a very searching look at our foreign aid program, especially that part of it which relates to Egypt, and I hope that you will not only let your Congressman know how you feel but also arouse sentiment in your areas about this program.

There is tremendous support in our country for the best relations between ourselves and Israel and for Israel's security so that her mission may be fulfilled. It is critically important, therefore, that this climate of support and Israel's prestige in the United States be kept vital and alive.

House Office Building Revealed as Most Expensive in History

EXTENSION OF REMARKS

OF

HON. M. G. (GENE) SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1963

Mr. SNYDER. Mr. Speaker, today while the House was sitting in the Committee of the Whole House on the State of the Union, I made reference in my remarks to the newspaper article appearing in my hometown paper. I think that it is essential that Members of Congress know the image that they are projecting by such appropriation bills as H.R. 6868 today considered by the House.

For the information of Members of the House, the following news article ap-

pearing on page one of the Louisville Times, a daily newspaper with a circulation of 180,000:

HOUSE OFFICE BUILDING REVEALED AS MOST EXPENSIVE IN HISTORY

(By Richard Harwood)

WASHINGTON, June 6.—The cat jumped out of the bag today with an admission by the House of Representatives that its squat and unappealing new office building will cost the taxpayers \$131,500,000.

It is expected to be completed sometime next year and will take its place in architectural history as the most expensive office building ever erected on earth.

The Pentagon, the biggest office building in the world, cost only \$83 million. New York's newest and most luxurious skyscraper, the Seagram Building, a bronze and glass shaft that soars 38 stories above Park Avenue, cost only \$41 million, including the site.

Since the building was begun in 1955, the cost has been effectively hidden from the public by complicated accounting procedures and by constantly shifting estimates.

The official estimate published in 1959 was \$64 million. It has been going up ever since.

The new estimate was revealed today in the published hearings of the House Appropriations Committee.

The cost breakdown included: \$14,200,000 for acquiring and clearing the site; \$71,500,000 for construction; \$7,500,000 for a subway system linking the building with the Capitol, which is across the street; \$5,300,000 for architectural and engineering fees; \$3,500,000 for administration and miscellaneous; \$8 million for underground garages; \$3,500,000 for furniture and furnishings; \$18 million for remodeling the two existing House office buildings, necessitated by the abandonment of offices by Congressmen who will move into the new building.

SWIM POOL CONFIRMED

The committee hearings also confirmed what has long been suspected but always denied by project officials—that the new building will contain a swimming pool for House Members.

The hearings covered the proposed budget for the House in the coming year and contained some fresh facts on the somewhat mysterious fiscal operations of Congress.

Philip Roof, executive assistant to Capitol Architect George Stewart, revealed for the first time that Congressmen and their wives are the beneficiaries of a "socialized" floral operation.

They are supplied bouquets and potted plants free by the Botanic Garden at an annual cost to the Treasury of about \$25,000. When it runs out of flowers, the Botanic Garden buys them for Congressmen from commercial florists at the taxpayers' expense.

Another witness, James L. Harrison, of the Government Printing Office, revealed that he is supplying specially designed wall calendars to Congressmen at a cost last year of \$30,944.33. It's possible that this calendar operation is illegal.

Representative Tom STEED, Democrat, of Oklahoma, who heads the Subcommittee on Legislative Appropriations, asked Harrison what legal authority he had for printing and giving away calendars.

NO SPECIFIC AUTHORITY

Harrison replied that he didn't know. He said he produced the calendars at the request of the Clerk of the House and the Secretary of the Senate.

The Clerk's office, questioned by STEED on this point, replied that there was no specific legal authority for supplying calendars.

Both House and Senate Members eat in Capitol dining rooms that receive annual Treasury subsidies. This year, the committee was told, the congressional dining

rooms will need a subsidy of nearly \$250,000.

The committee's final recommendations on the budget for running Congress in the coming year haven't been published. But virtually every unit in Congress is seeking a budget increase. That includes the Joint Committee on Reduction of Non-Essential Federal Expenditures, headed by the conservative and economy-minded Senator from Virginia, HARRY F. BYRD.

Do Members Want the Food Stamp Plan for Their Own Districts?

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1963

Mrs. SULLIVAN. Mr. Speaker, the House Committee on Agriculture has been holding hearings this week on my bill, H.R. 5733, the administration measure to authorize the appropriation of sufficient funds for a nationwide food stamp program such as is now in effect in about three dozen areas of the country on a pilot plan basis.

I know that many of the Members want to have the food stamp plan adopted in their districts, too—or, if it is now in operation in parts of their district, then have it extended throughout the district. I would like to point out that the only way more Members can have the food stamp plan for their districts is to enact H.R. 5733. In my testimony today, I explained why that is true.

A number of the Members have joined me in testifying in favor of H.R. 5733. However, it is interesting to note that many of us who are testifying already have the plan in operation in our own districts—and can continue having it regardless of whether H.R. 5733 is passed. But we are reporting on our experiences under the program in order to persuade the committee to make it possible to have the program used nationally. I therefore urge those Members who sincerely want the food stamp plan substituted in their districts for the present system of direct distribution of surplus food to get in touch with the Committee on Agriculture and voice their support for this legislation. The hearings are scheduled to conclude tomorrow.

Mr. Speaker, I submit for inclusion at this point, a release on my testimony this morning, as follows:

FOOD STAMP SPONSOR URGES USE OF PLAN NATIONALLY

Congresswoman LEONOR K. SULLIVAN, Democrat, of Missouri, sponsor of the Kennedy administration's bill for expanding the pilot food stamp plans into a nationwide program, testified today that enactment of the bill would bring "good food and needy Americans together at the dinner table, where the rest of us can be found every day in the year."

Appearing before the House Committee on Agriculture as the first congressional witness on her bill, H.R. 5733, following testimony in favor of the legislation yesterday by Secretary of Agriculture Orville L. Freeman, Mrs. SULLIVAN said:

"The pilot food stamp programs now in operation in about three dozen areas of the country, including my own city of St. Louis, assure well-rounded diets for families unable to afford even a minimum standard of living at the dinner table. The enthusiasm of the public, of the food industry, and of the needy who are assisted, in areas which have had the plan in operation long enough to iron out administrative redtape, is indeed heartening to all of us who have supported this idea over the years."

The Congresswoman was the author of the first and only food stamp law ever passed by Congress—a bill enacted in 1959 but which was never put into effect by the Eisenhower administration and which subsequently expired. She said new legislation is now necessary to authorize the appropriation of sufficient funds if the pilot plans are to be expanded nationally.

The pilot plans, she explained, are financed by a special fund, consisting of one-third of all annual customs receipts, set aside under the Agriculture Adjustment Act of 1935 to cover the cost of removal of surplus "non-basic" agricultural commodities from the market, chiefly meat and dairy products, eggs, poultry, vegetables, fruits and other perishables, and processing them for use in the school lunch program and for donation to the needy.

Only \$40 million of section 32 money, however, is earmarked specifically for the food stamp plans in the Agricultural Appropriation bill passed by the House last week, Mrs. SULLIVAN said, whereas about \$360 million would be needed to expand the program nationally. She said much of this cost—about \$260 million—could be saved through the elimination of the present program in 1,500 counties of direct donation of surplus food packages to the needy, in favor of the food stamp method.

"The question before you is whether the food stamp plan of distribution is preferable to the direct distribution system," she continued. "The experience in the pilot plan areas proves that it is preferable—without any doubt whatsoever."

"The food stamp plan is by no means utopia on a handout card. For those who qualify, and who receive any income at all, a monthly payment must be made to purchase stamps covering the full amount that such a family could reasonably be expected to spend for food. If anything, this regulation has been administered over strictly, and many families previously receiving surplus food donations in the pilot plan areas are not participating."

She said she had investigated numerous complaints in bureaucratic rigidity in setting up the stamp purchase requirements in St. Louis and had found some complaints justified, others not.

"There must be flexibility in administration of any complex program of Government," she added. But, as so many of our colleagues will tell you about the food stamp pilot plans now operating in parts of their districts, the plan does work, and works exceptionally well, to bring decent, American-standard, nutritious enjoyable diets to families long denied such a blessing—people who previously went hungry in a country where we have such abundances of food they cause us all kinds of agricultural woes. Let us use this method to improve the diets of those who cannot afford adequate meals—who are deprived of red meat and fresh eggs and fresh milk and fresh vegetables and who live instead on the cheapest and most filling foods regardless of caloric content and adequacy of nutrition. The food is here; all of us prefer to see it eaten rather than stored or powdered or dehydrated or destroyed."

Under the pilot food stamp plans, eligible participants, mostly families on public assistance receive for the money they normally would spend for food, a value of stamps intended to provide them with a well-rounded

and adequate diet. The stamps are usable as money in grocery stores, but only for food items, and only for foods grown or processed in this country.

Law Day U.S.A., 1963

EXTENSION OF REMARKS OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 11, 1963

Mr. HUMPHREY. Mr. President, I take great pride in bringing to the attention of my colleagues in the Congress an excellent speech by Leif R. Langsjoen of Willmar, Minn. Mr. Langsjoen is president of the Kandiyohi County Bar Association. He delivered this speech before the association on the observance of Law Day U.S.A., 1963. Mr. Langsjoen reminds us that "freedom under law must be guarded and nurtured at home, improved and expanded at home, and promoted and applied abroad," and this is not just the responsibility of lawyers or government, but of every citizen in this country.

I ask unanimous consent that this thoughtful and sound message be printed in the Appendix of the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

LAW DAY U.S.A., 1963

(Speech of Leif R. Langsjoen, Esq., at Law Day observance at the Kandiyohi County Court House, Willmar, Minn., April 26, 1963, the Honorable C. A. Roloff, judge, presiding)

Official proclamations and resolutions, however well phrased, have a way of being devoid of impact. Thus when the 87th Congress of the United States adopted, in 1961, a joint resolution designating May 1, 1961, as the first Law Day U.S.A., it provided it "be set aside as a special day of celebration by the American people in appreciation of their liberties and the reaffirmance of their loyalty to the United States of America, of their rededication to the ideals of equality and justice under law in their relations with each other as well as with other nations; and for the cultivation of that respect for law that is so vital to the democratic way of life." What, specifically, does this mean? One thing it does not mean. Law Day is not a promotional device for lawyers or for the legal profession. It is not a "National Sausage Week." And it is not simply a day to commend or compliment ourselves on our superior legal system.

It is rather a sober observance of an almost uniquely Anglo-American circumstance—a government under law where the rights of every citizen, regardless of birth or race, social or financial position, are equal and protected. And it is more than an observance. It is a public rededication to a system of freedom under law. And it is more than this. It is the statement of an ideal, only imperfectly realized at home, unevenly available abroad, and in an embryonic state internationally.

Why is freedom under law unique? Considered in the span of human history it is an infrequent and short-lived phenomenon. Our democracy is less than 200 years old and is among the oldest in the world today. England's concept of freedom and equality under law is 700 years old and for a part of that time its future hung in the balance.

Half the world is under Soviet tyranny, where rights are determined arbitrarily by those who govern. Africa is crawling out of the stone age. A modern, civilized nation, Germany, less than 20 years ago, practiced genocide and slavery on a scale that would have shamed the Visigoths; 250 years ago the most advanced nations in Europe subscribed to the "divine right of kings."

Why should we rededicate ourselves to this freedom under law? Because unless we do we have no assurance whatever that it will last. President Kennedy, in his Law Day Proclamation this year describes law as reason and morality displacing brutal force. Reason and morality come only to an enlightened citizenry. Morality in government is retained only through constant vigilance. It is quickly lost through indifference. In fact, freedom and equality under law and the respect for law have a hundred enemies; greed, dishonesty, willfulness, expediency, lust for power, ignorance, pride, envy. But once freedom under law is acquired, surely its greatest enemy is indifference.

Every indifferent juror weakens this system of freedom under law. Every forgetful or unavailable witness weakens it. Every expedient police act, illegal arrest, or forced confession offends it. Every punitive or confiscatory tax violates it. Every discriminatory act, by society or Government, against another by reason of his race or religion or economic position damages it. Every appeal to greed and envy, promise to provide by law the goods or wealth extracted from others, undermines it.

It is an ideal imperfectly realized at home. One hundred years ago we sold human beings like cattle or horses. Eighty years ago we exterminated the American Indians in about the same fashion as we reduced the coyote population. One year ago Federal troops were necessary to admit a Mississippi citizen to a university his taxes helped support.

It is imperative that, while we preserve and develop the concept of freedom under law at home, we sell it abroad and apply it internationally. John Foley of the Massachusetts bar, writing in the April 1963 issue of the American Bar Journal states: "Communism is a way of life which cannot be conquered by force. The only sure way to destroy communism is, if possible, to awaken in all people a desire for freedom and self-expression that can only come through law."

Dr. Walter Judd has said in substance, "The world will be either all Communist or all free—and in our lifetimes." President Kennedy had international application in mind when he said in January this year, "We have all the more need to work for a day when law may govern nations as it does men within nations."

No, it isn't for us to compliment ourselves today on what we consider the finest legal system in the world. Rather Law Day should remind us that freedom under law must be guarded and nurtured at home, improved and expanded at home, and promoted and applied abroad. This cannot be one by lawyers alone or even by lawyers and Government together. It requires the active help of every informed citizen the country possesses.

Tribute to the Late Francis E. Walter

SPEECH OF

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1963

Mr. O'HARA of Michigan. Mr. Speaker, I am sure that very few people in the history of the House of Representa-

tives have exercised a greater influence on the course of the Nation and composition of its laws than our late colleague, "TAD" WALTER. He possessed in very large measure the attributes of greatness as a legislator.

One of the marks of that greatness, I believe, was his willingness to advise and assist less senior Members of the House in the sometimes difficult problems that they faced. My own personal experience with "TAD" WALTER amply demonstrated this facet of his character. During my first term in the Congress I discovered that "TAD" WALTER, in spite of the many important projects in which he was engaged and the heavy demands on his time, was a person to whom I could turn for valuable help and counsel.

I believe that it was this feeling for his colleagues more than any other aspect of his character and career that made "TAD" WALTER a respected and beloved leader of the House of Representatives. We who were his colleagues shall miss him very much. More importantly, the country has lost a great leader whom it shall be very difficult to replace.

American Ships in the Expanded Trade Program

EXTENSION OF REMARKS

OF

HON. STANLEY R. TUPPER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1963

Mr. TUPPER. Mr. Speaker, I am sure that many Members who are interested in the U.S. Merchant Marine and its relation to world trade will be interested in a winning essay in the 1962 Harold Harding Memorial Essay Contest for the Port of Portland, Maine Propeller Club, on the subject of the U.S. Merchant Marine and world trade. This essay was written by Mr. Charles Blumenthal, an 18-year-old student at Deering High School, Portland, Maine:

AMERICAN SHIPS IN THE EXPANDED TRADE PROGRAM

If the President's recently approved trade program ever gets off the ground, American ships should undoubtedly benefit from its tariff-cutting powers. Common Market complications, however, impede its progress. If Britain is not admitted to the European Economic Community (and De Gaulle of France is steadfastly opposed to her admission), "the main force of the Trade Expansion Act cannot come into play."¹

Britain's alternative, then, "is a coordinated reduction of tariffs with her EFTA partners (Norway, Denmark, Switzerland, Austria, Sweden, and Portugal, a grouping of nations with which she has cut internal tariffs 50 percent in the last 2 years), the Commonwealth, and North America, that would, in effect, create a worldwide free trade area able to bargain and compete with De Gaulle's Europe."²

Whatever Britain's position in economic organizations, the fact still remains that the United States must inevitably face stiff competition for shipping lanes already

heavily serviced by the British or the other nations of the world. Who is going to retire his fleet, even in the interest of international cooperation?

The very existence of the Trade Expansion Act is an indication of the merchant marine's poor state of health. Some \$300 million flow from the U.S. Treasury each year in the form of subsidies to the domestic fleet. These subsidies are supposed to cover the difference between building and operating an American ship and a foreign ship. Every year the taxpayers' contribution increases, but the results diminish: "In just the last 10 years, the participation of U.S.-flag shipping lines in the Nation's foreign commerce has dropped from 53 to 10 percent."³

Perhaps the merchant marine should depend less on the elimination of tariffs under the President's program and adopt an aggressive program of expansion of its shipping area: "The United States ranks high only in commerce to and from home ports (in contrast to Britain and Norway which appear high on most routes, even on those not touching Europe)."⁴

It is too early to estimate the gains of the merchant marine's current program of efficiency, speed, and versatility. The domestic fleet manages to survive high construction-operation costs and cheap foreign competition by more efficient cargo handling, by faster and bigger ships which earn higher profits by permitting more trips per year, and by versatile vessels capable of carrying varied cargoes because of innovations in automation.

Automation, however, is a source of disension between labor and management. Union leaders naturally want to preserve jobs for the men, trained and untrained, who can be replaced by mechanical cargo-handling equipment and virtually unmanned vessels: "A fully automated 300-foot freighter (crewed by only six men) that has just been blueprinted by Matson Navigation Co. won't be built without a union go-ahead. And Morris Weisberger, Pacific vice president of the Seafarers International Union, already hopping mad that the ship was planned without union consultation, threatens that negotiations will be long and tough."⁵

Still another possibility for increased cargoes is the internationally controversial 50-50 rule under which half of U.S. foreign-aid shipments must be carried in U.S.-flag vessels. In the interest of survival it makes sense for domestic shippers to transport all or most of such gift goods.

If, however, such measures as have been suggested should fail to bring about the desired results, perhaps the merchant marine should seriously weigh the truth of the "gloomy predictions that America's days as a great maritime power are ending."⁶ The extraordinary post-World War II revival of Europe, the emergence of the African nations, the unrest of impoverished South America—all these factors augur the potential necessity for international cooperation beyond mere tariff cutting, perhaps even to the point of great international combines.

Although American economic superiority is threatened by the new prosperity of other nations, these same expanding powers must inevitably suffer problems similar to our own—the inflation spiral, technological unemployment, subsidization, etc. If this is so, then some measure of cooperation will be necessary for adjustment of maritime commerce. If the U.S. Merchant Marine actually is in its "twilight hours", then the President's trade expansion program is the first step toward preserving some share of the sea for our benefit.

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¹ "Winds of Change—East and West." Newsweek, LXI (Feb. 4, 1963), 14.

² Ibid., p. 33.

³ "The Shrinking World of Shipping." Dun's Review, LXXIX (June 1962), 108.

⁴ "The U.S. Merchant Fleet." Life, LIII (Dec. 21, 1962), 130.

⁵ "The Periscope." Newsweek, LXI (Feb. 25, 1963), 16.

⁶ "The Shrinking World of Shipping," p. 108.

Manned Lunar Landing and International Competition in Science

EXTENSION OF REMARKS

OF

HON. FRANK J. LAUSCHE

OF OHIO

IN THE SENATE OF THE UNITED STATES

Tuesday, June 11, 1963

Mr. LAUSCHE. Mr. President, recently there came to my attention two excellent editorials which were published in Science, the weekly magazine of the American Association for the Advancement of Science, of which Dr. Philip H. Abelson is editor. The first editorial deals with the subject of a manned lunar landing and the second with the international competition in science.

In my opinion, these two editorials are of such thought-provoking nature that their contents should be made available for reading by Members of the Congress and others.

I ask unanimous consent that both editorials be printed in the Appendix of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Science, Apr. 19, 1963]

MANNED LUNAR LANDING

The Nation is committed to the manned lunar landing program. Nevertheless, the project seems certain to be the center of continuing controversy. Each year Congress will vote on appropriations, and this guarantees a recurring reexamination of the basic rationale of the program.

Four principal justifications have been cited: The propaganda value of beating the Russians, possible military applications, technological fallout, and scientific values.

The Nation may sustain the continuing burden of the program principally because of man's spirit of adventure—his desire to conquer the inanimate. An earlier generation was excited about reaching the North Pole. Later, Lindbergh's flight was greeted with wild enthusiasm. However, the emotional peak was sharp and soon dissipated. The sequence of public reaction to the orbiting astronauts is instructive. Our first success was witnessed by a huge enthralled audience. A later episode was considered routine. The lasting propaganda value of placing a man on the moon has been vastly overestimated. The first lunar landing will be a great occasion; subsequent boredom is

Footnotes at end of speech.

Aug 14, 1963

HOUSE

12. FOOD STAMP. The Special Subcommittee on the Food Stamp Program of the Agriculture Committee voted to report to the full committee H. R. 5733, the proposed Food Stamp Act (amended, a clean bill to be introduced). p. D635
13. SUGAR. Rep. Vanik criticized speculation on the sugar futures market as causing the recent increased sugar prices for the housewife. p. 14136
14. FOREIGN AID. The Rules Committee reported a resolution for the consideration of H. R. 7885, the foreign aid authorization bill. p. 14202
Rep. Nelsen questioned a report that Secretary Freeman offered U. S. aid to improve Russian agriculture and inserted an article discussing the matter. p. 14206
Rep. Foreman criticized the foreign aid program and Secretary Freeman for reportedly committing the U. S. to give additional aid to Yugoslavia. p. 14202
Rep. Staebler spoke in support of continuing U. S. foreign aid to other countries. pp. 14195-6
Several Representatives spoke in support of the foreign aid program and opposed the idea that foreign aid is the main cause of our present balance-of-payments problem. pp. 14212-23
15. EDUCATION; FEDERAL AID. Rep. Powell inserted "a statement of Federal programs under which institutions with religious affiliations receive Federal funds through grants or loans." Included are the USDA National school lunch program, the special milk program, and forestry research. pp. 14145-8
16. RECLAMATION. Rep. Kirwan criticized a Life magazine article stating that water resource development and irrigation farming are great national needs which cause a very small amount of surplus production involving wheat and feed grains. pp. 14196-14200
Rep. Ullman urged continued expansion of the reclamation program as a means of preventing future food shortages and to reclaim potential farmlands. p. 14211
17. EXPORT-IMPORT BANK. The "Daily Digest" states that the Conferees agreed to file a report on H. R. 3872, the Export-Import Bank extension bill, and "As agreed by the conferees, the bill would (1) omit provisions relating to types of financing for the Export-Import Bank, (2) extend for 5 years the Export-Import Bank Act of 1945, (3) increase from \$7 billion to \$9 billion the lending authority of the Bank, and (4) increase insurance coverage from \$1 billion to \$2 billion." p. D363
Rep. Pelly criticized the back-door financing provisions of the Export-Import Bank extension bill. p. 14200
18. CIVIL RIGHTS. Rep. Roosevelt urged combining H. R. 7152, the proposed Civil Rights Act of 1963 with H. R. 405, the proposed Federal Equal Employment Opportunity Act. pp. 14200-2
19. AREA REDEVELOPMENT. Rep. Conzalez criticized the president of the U. S. Chamber of Commerce's remarks "to label the area redevelopment assistance program as one instance of vote buying." pp. 14210-1

Rep. Pelly agreed with the U. S. Chamber of Commerce's presidents remarks and criticized ARA's "attempt to discredit" him and cited a Life magazine article as defending his point of view. pp. 14234-6

ITEMS IN APPENDIX

20. FUTURE FARMERS. Extension of remarks of Sen. Young, N. Dak., inserting an article announcing that a constituent had been named one of four outstanding farmers in the U.S. pp. A5152-3
21. FARM LABOR. Extension of remarks of Rep. Gonzalez inserting an article, "Lobby Campaigns To Revive Bracero Bill." pp. A5166-7
22. FOREIGN AID. Extension of remarks of Rep. Fascell expressing his support for the foreign aid program, but at the same time favoring a constant reappraisal and evaluation of the program. pp. A5167-8
Extension of remarks of Rep. Zablocki inserting an article, "Most Foreign Aid Now Spent With U. S. Firms." pp. A5172-3
Extension of remarks of Rep. O'Hara inserting an article "as evidence of what foreign aid can accomplish." p. A5205
23. ELECTRIFICATION. Extension of remarks of Rep. Olsen commending REA programs and inserting an article on the extension of electricity to the Yaak River valley. p. A5172
Extension of remarks of Rep. Saylor inserting an article opposing the expansion of Bonneville power marketing area into southern Idaho. pp. A5198-9
24. IRRIGATION. Extension of remarks of Rep. Martin inserting an article describing the irrigation of the Imperial Valley, Calif. pp. A5192-3

BILLS INTRODUCED

25. ORGANIZATION. S. 2046, by Sen. Miller, to establish an Office of Community Development in the Executive Office of the President; to Government Operations Committee. Remarks of author, pp. 14053-5
26. FOREIGN TRADE. S. Con Res 55, by Sen. Humphrey, to create a Joint Committee on International Trade Policy; to Foreign Relations Committee. Remarks of author pp. 14055-7
27. ANIMALS. H. R. 8077, by Rep. Pepper, to provide for humane treatment of animals used in experiment and research by recipients of grants from the United States, and by agencies and instrumentalities of the United States; to Interstate and Foreign Commerce Committee.
28. PATENTS. H. R. 8043, by Rep. Belcher, to fix certain fees payable to the Commissioner of Patents; to Judiciary Committee.
29. INFORMATION. H. R. 8046, by Rep. Fascell, to amend section 3 of the Administrative Procedure Act, chapter 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information; to Judiciary Committee. Remarks of author, pp. 14209-10
30. ELECTRICITY. H. R. 8058, by Rep. Langen, to amend the Federal Power Act, as amended, in respect of the jurisdiction of the Federal Power Commission over nonprofit cooperatives; to Interstate and Foreign Commerce Committee. Remarks of author p. 14204

88TH CONGRESS
1ST SESSION

H. R. 8107

IN THE HOUSE OF REPRESENTATIVES

AUGUST 15, 1963

Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as "The Food Stamp Act of
4 1963".

5 DECLARATION OF POLICY

6 SEC. 2. It is hereby declared to be the policy of Con-
7 gress, in order to promote the general welfare, that the

1 Nation's abundance of food should be utilized cooperatively
2 by the States, the Federal Government, and local govern-
3 mental units to the maximum extent practicable to safeguard
4 the health and well-being of the Nation's population and
5 raise levels of nutrition among economically needy house-
6 holds. The Congress hereby finds that increased utilization
7 of foods in establishing and maintaining adequate national
8 levels of nutrition will tend to cause the distribution in a
9 beneficial manner of our agricultural abundances and will
10 strengthen our agricultural economy, as well as result in more
11 orderly marketing and distribution of food. To effectuate
12 the policy of Congress and the purposes of this Act, a food
13 stamp program, which will permit those households in eco-
14 nomic need to receive a greater share of the Nation's food
15 abundance, is herein authorized.

16 DEFINITIONS

17 SEC. 3. As used in this Act—

18 (a) The term "Secretary" means the Secretary of
19 Agriculture.

20 (b) The term "food" means any food or food product
21 for human consumption except alcoholic beverages, tobacco,
22 and those foods which are identified on the package as being
23 imported from foreign sources.

24 (c) The term "coupon" means any coupon, stamp, or

1 type of certificate issued pursuant to the provisions of this
2 Act.

3 (d) The term "coupon allotment" means the total value
4 of coupons to be issued to a household during each month or
5 other time period.

6 (e) The term "household" shall mean a group of re-
7 lated or nonrelated individuals, who are not residents of an
8 institution or boarding house, but are living as one economic
9 unit sharing common cooking facilities and for whom food
10 is customarily purchased in common. The term "household"
11 shall also mean a single individual living alone who has cook-
12 ing facilities and who purchases and prepares food for home
13 consumption.

14 (f) The term "retail food store" means an establishment,
15 including a recognized department thereof, or a house-to-
16 house trade route which sells food to households for home
17 consumption.

18 (g) The term "wholesale food concern" means an
19 establishment which sells food to retail food stores for resale
20 to households.

21 (h) The term "State agency" means the agency of the
22 State government which has responsibility for the admin-
23 istration of the federally aided public assistance programs.

1 (i) The term "bank" means member or nonmember
2 banks of the Federal Reserve System.

3 (j) The term "State" means the fifty States and the
4 District of Columbia.

5 (k) The term "food stamp program" means any pro-
6 gram promulgated pursuant to the provisions of this Act.

7 ESTABLISHMENT OF THE FOOD STAMP PROGRAM

8 SEC. 4. (a) The Secretary is authorized to formulate
9 and administer a food stamp program under which at the
10 request of an appropriate State agency eligible households
11 within the State shall be provided with an opportunity more
12 nearly to obtain a nutritionally adequate diet through the
13 issuance to them of a coupon allotment which shall have a
14 greater monetary value than their normal expenditures for
15 food as determined by the Secretary. The coupons so re-
16 ceived by such households shall be used only to purchase
17 food from retail food stores which have been approved for
18 participation in the food stamp program. Coupons issued
19 and used as provided in this Act shall be redeemable at face
20 value by the Secretary through the facilities of the Treasury
21 of the United States.

22 (b) In areas where a food stamp program is in effect,
23 there shall be no distribution of foods to households under the
24 authority of any other law except during emergency situa-
25 tions as determined by the Secretary.

1 (c) The Secretary is authorized to issue such regula-
2 tions, not inconsistent with this Act, as he deems necessary
3 or appropriate for the effective and efficient administration
4 of the food stamp program.

5 ELIGIBLE HOUSEHOLDS

6 SEC. 5. (a) Households eligible to participate in the
7 food stamp program shall be those whose economic status
8 is such as to be a substantial limiting factor in the attain-
9 ment of a nutritionally adequate diet.

10 (b) Each State shall establish standards to determine
11 the eligibility of applicant households which standards,
12 among other things, shall take into account such of the
13 factors used by each State in granting assistance under the
14 federally aided public assistance programs as the Secretary
15 determines will tend to effectuate the purposes of the food
16 stamp program. The standards of eligibility to be used by
17 each State for the food stamp program shall be subject to the
18 approval of the Secretary.

19 ISSUANCE AND USE OF COUPONS

20 SEC. 6. (a) The Secretary shall cause coupons to be
21 printed in such denominations as he may determine, and
22 shall make provision for their issuance only to households
23 which have been duly certified as eligible to participate in
24 the food stamp program.

25 (b) Coupons issued to eligible households shall be used

1 by them only to purchase food in retail food stores which
2 have been approved for participation in the food stamp
3 program.

4 (c) Coupons issued to eligible households shall be simple
5 in design and shall include only such words or illustrations
6 as are required to explain their purpose and define their
7 denomination. The name of any public official shall not
8 appear on such coupons.

9 VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE
10 MADE

11 SEC. 7. (a) The face value of the coupon allotment which
12 the Secretary shall authorize State agencies to issue to house-
13 holds certified as eligible to participate in the food stamp
14 program shall be in such amount as will provide such house-
15 holds with an opportunity more nearly to obtain a nutri-
16 tionally adequate diet.

17 (b) Households shall be charged such portion of the
18 face value of the coupon allotment issued to them as the
19 Secretary determines is equivalent to their normal expendi-
20 tures for food.

21 (c) The value of the coupon allotment provided to
22 any eligible household which is in excess of the amount
23 charged such households for such allotment shall not be
24 considered to be income or resources for any purpose under

1 any Federal or State laws including, but not limited to, laws
2 relating to taxation, welfare, and public assistance programs.

3 (d) Funds derived from the charges made for the
4 coupon allotment shall be promptly deposited in a manner
5 prescribed by the Secretary in the regulations issued pur-
6 suant to this Act, in a separate account maintained in the
7 Treasury of the United States for such purpose. Such de-
8 posits shall be available, without limitation to fiscal years,
9 for the redemption of coupons.

10 APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD
11 CONCERNS

12 SEC. 8. (a) The Secretary shall provide in the regula-
13 tions issued pursuant to this Act for the submission of appli-
14 cations for approval by retail food stores and wholesale food
15 concerns which desire to participate in the food stamp pro-
16 gram and shall approve those applicants whose participation
17 he determines will effectuate the purposes of the food stamp
18 program. In determining the qualifications of applicants
19 the Secretary shall consider, among such other factors as
20 he may deem appropriate, the following: (1) the nature
21 and extent of the retail or wholesale food business conducted
22 by the applicant; (2) the volume of coupon business which
23 may reasonably be expected to be conducted by the applicant
24 retail food store or wholesale food concern; and (3) the

1 business integrity and reputation of the applicant. Approval
2 of an applicant shall be evidenced by the issuance to such
3 applicant of a nontransferable certificate of approval.

4 (b) The Secretary shall in the regulations issued pur-
5 suant to this Act, require an applicant retail food store or
6 wholesale food concern to submit information which will en-
7 able him to determine whether such applicant qualifies, or
8 continues to qualify, for approval under the provisions of this
9 Act or the regulations issued pursuant to this Act. The Sec-
10 retary shall provide in the regulations issued pursuant to this
11 Act for safeguards which restrict the use or disclosure of in-
12 formation obtained under the authority granted by this sub-
13 section to purposes directly connected with administration
14 and enforcement of the provisions of this Act or the regula-
15 tions issued pursuant to this Act.

16 (c) Any retail food store or wholesale food concern
17 which has failed upon application to receive the approval of
18 the Secretary to participate in the food stamp program may
19 obtain a hearing on such refusal as provided in section 13 of
20 this Act.

21 REDEMPTION OF COUPONS

22 SEC. 9. In the regulations issued pursuant to this Act,
23 the Secretary shall provide for the redemption of coupons
24 accepted by retail food stores through approved wholesale

1 food concerns or through banks, with the cooperation of the
2 Treasury Department.

3 ADMINISTRATION

4 SEC. 10. (a) To encourage the purchase, by participat-
5 ing households, of foods available in abundant or surplus
6 supply or those most needed in diets, the Secretary may en-
7 list the voluntary cooperation of existing Federal, State,
8 local, or private agencies which carry out informational and
9 educational programs for consumers.

10 (b) The State agency of each participating State shall
11 assume responsibility for the certification of applicant house-
12 holds and for the issuance of coupons: *Provided*, That the
13 State agency may, subject to approval by the Secretary,
14 delegate its responsibility in connection with the issuance of
15 coupons to another agency of the State government. There
16 shall be kept such records as the Secretary may determine
17 are necessary for him to ascertain whether the program is
18 being conducted in compliance with the provisions of this
19 Act and the regulations issued pursuant to this Act. Such
20 records shall be available for inspection and audit by the
21 Secretary at any reasonable time and shall be preserved for
22 such period of time, not in excess of three years, as the
23 Secretary determines is necessary or appropriate.

1 (c) In the certification of applicant households for the
2 food stamp program there shall be no discrimination against
3 any household by reason of race, religious creed, national
4 origin, or political beliefs.

5 (d) Participating States or participating political sub-
6 divisions thereof shall not decrease welfare grants or other
7 similar aid extended to any person or persons as a conse-
8 quence of such person's or persons' participation in benefits
9 made available under the provisions of this Act or the regu-
10 lations issued pursuant to this Act.

11 (e) The State agency of each State desiring to par-
12 ticipate in the food stamp program shall submit for the
13 approval of the Secretary a plan of operation specifying
14 the manner in which such program will be conducted within
15 the State, the political subdivisions within the State in which
16 the State desires to conduct the program, and the effective
17 dates of participation by each such political subdivision.
18 In addition, such plan of operation shall provide, among such
19 other provisions as the Secretary may by regulation require,
20 the following: (1) the specific standards to be used in
21 determining the eligibility of applicant households; (2)
22 that the State agency shall undertake the certification of
23 applicant households in accordance with the general proce-
24 dures and personnel standards used by them in the certifica-
25 tion of applicants for benefits under the federally aided pub-

1 lic assistance programs; (3) safeguards which restrict the
2 use or disclosure of information obtained from applicant
3 households to persons directly connected with the administra-
4 tion or enforcement of the provisions of this Act or the
5 regulations issued pursuant to this Act; and (4) for the
6 submission of such reports and other information as the
7 Secretary may from time to time require.

8 (f) If the Secretary determines that in the adminis-
9 tration of the program there is a failure by a State agency to
10 comply substantially with the provisions of this Act, or with
11 the regulations issued pursuant to this Act, or with the State
12 plan of operation, the Secretary shall inform such State
13 agency of such failure and shall allow the State agency a
14 reasonable period of time for the correction of such failure.
15 Upon the expiration of such period, the Secretary shall
16 direct that there be no further issuance of coupons in the
17 political subdivisions where such failure has occurred until
18 such time as corrective action satisfactory to the Secretary
19 has been taken.

20 DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLE-
21 SALE FOOD CONCERNS

22 SEC. 11. Any approved retail food store or wholesale
23 food concern may be disqualified from further participation
24 in the food stamp program, on a finding by the Secretary
25 that such store or concern has violated any of the provisions

1 of this Act, or of the regulations issued pursuant to this Act.
2 Such disqualification shall be for such period of time as the
3 Secretary may determine. The action of disqualification
4 shall be subject to review as provided in section 13 of this
5 Act: *Provided*, That, notwithstanding any of the other pro-
6 visions of this section or of section 13 of this Act, if the
7 Secretary has reason to believe that a serious or flagrant
8 violation of this Act or of the regulations issued pursuant to
9 this Act, has occurred or that there are facts or circumstances
10 of a nature which indicate a lack of ability or willingness on
11 the part of such store or concern to carry out properly the
12 provisions of the program, he may suspend such store or
13 concern without advance notice or hearing for such period,
14 not in excess of ninety days, as may be required to complete
15 an investigation and take such administrative action as may
16 be found appropriate by the Secretary. Such suspension
17 action shall not constitute a final determination for the pur-
18 pose of section 13 of this Act.

19 DETERMINATION AND DISPOSITION OF CLAIMS

20 SEC. 12. The Secretary shall have the power to deter-
21 mine the amount of and settle and adjust any claim and to
22 compromise or deny all or part of any such claim or claims
23 arising under the provisions of this Act or the regulations
24 issued pursuant to this Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 13. Whenever the Secretary (a) determines that a retail food store or a wholesale food concern should not be approved to participate in the food stamp program, (b) disqualifies a retail food store or a wholesale food concern under the provisions of section 11 of this Act, or (c) directs the denial, under the provisions of section 12 of this Act, of all or part of any claim of a retail food store or wholesale food concern, he shall cause notice of such administrative action to be issued to the retail food store or wholesale food concern involved. Such notice shall be delivered by certified mail or personal service. If such store or concern is aggrieved by the action of the Secretary, it may, in accordance with regulations promulgated by the Secretary, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the Secretary may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination of the Secretary shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available to the Secretary, shall be reviewed by

1 the person or persons designated by the Secretary, who shall,
2 subject to the right of judicial review hereinafter provided,
3 make a determination which shall be final. If the store or
4 concern feels aggrieved by such final determination of the
5 person or persons designated by the Secretary he may obtain
6 judicial review thereof, without regard to the amount in con-
7 troversy, by filing a complaint against the United States
8 in the United States district court for the district in which
9 he resides or is engaged in business within thirty days after
10 the date of delivery or service of the final notice of deter-
11 mination upon him, requesting the court to set aside such de-
12 termination. Service of process in such action shall be made
13 in accordance with the rules of the service of process upon
14 the United States as prescribed by the Rules of Civil Pro-
15 cedure for the United States District Courts. The copy of
16 the summons and complaint required to be delivered to the
17 official or agency whose order is being attacked shall be sent
18 to the Secretary or such person or persons as he may desig-
19 nate to receive service of process. The action in the United
20 States district court shall be a trial de novo by the court
21 without a jury, in which the court shall determine the
22 validity of the questioned administrative action in issue. If
23 the court determines that such administrative action is in-
24 valid it shall enter such judgment or order as it determines
25 is in accordance with the law and the evidence. During the

1 pendency of such judicial review, or any appeal therefrom,
2 the administrative action under review shall be and remain
3 in full force and effect, unless an application to the court on
4 not less than ten days' notice, and after hearing thereon and
5 a showing of irreparable injury, the court temporarily stays
6 such administrative action pending disposition of such trial
7 or appeal.

8 VIOLATIONS AND ENFORCEMENT

9 SEC. 14. (a) Notwithstanding any other provisions of
10 this Act, the Secretary may provide for the issuance or pre-
11 sentment for redemption of coupons to such person or per-
12 sons, and at such times and in such manner, as he deems
13 necessary or appropriate to protect the interests of the
14 United States or to insure enforcement of the provisions
15 of this Act or the regulations issued pursuant to this Act.

16 (b) Whoever knowingly uses, transfers, acquires, or
17 possesses coupons in any manner not authorized by this Act
18 or the regulations issued pursuant to this Act shall, if such
19 coupons are of the value of \$100 or more, be guilty of a
20 felony and shall, upon conviction thereof, be fined not more
21 than \$10,000 or imprisoned for not more than five years, or
22 both, or, if such coupons are of a value of less than \$100,
23 shall be guilty of a misdemeanor and shall, upon conviction
24 thereof, be fined not more than \$5,000 or imprisoned for not
25 more than one year, or both.

1 (c) Whoever presents, or causes to be presented,
2 coupons for payment or redemption of the value of \$100
3 or more, knowing the same to have been received, trans-
4 ferred, or used in any manner in violation of the provisions
5 of this Act or the regulations issued pursuant to this Act
6 shall be guilty of a felony and shall, upon conviction thereof,
7 be fined not more than \$10,000 or imprisoned for not more
8 than five years, or both, or, if such coupons are of a value
9 of less than \$100, shall be guilty of a misdemeanor and shall,
10 upon conviction thereof, be fined not more than \$5,000 or
11 imprisoned for not more than one year, or both.

12 (d) Coupons issued pursuant to this Act shall be
13 deemed to be obligations of the United States within the
14 meaning of title 18, United States Code, section 8.

15 COOPERATION WITH STATE AGENCIES

16 SEC. 15. (a) Each State shall be responsible for financ-
17 ing, from funds available to the State or political sub-
18 division thereof, the costs of carrying out the administrative
19 responsibilities assigned to it under the provisions of this Act.
20 Except as provided for in subsection (b) of this section, such
21 costs shall include, but shall not be limited to, the certification
22 of households; the acceptance, storage, and protection of cou-
23 pons after their delivery to receiving points within the States;
24 and the issuance of such coupons to eligible households and
25 the control and accounting therefor.

1 (b) The Secretary is authorized to cooperate with State
2 agencies in the certification of households which are not re-
3 ceiving any type of public assistance so as to insure the effec-
4 tive certification of such households in accordance with the
5 eligibility standards approved by the Secretary under the
6 provisions of section 10 of this Act. Such cooperation shall
7 include payments to State agencies for part of the cost they
8 incur in the certification of such households. The amount of
9 such payment to any one State agency shall be 50 per centum
10 of the sum of: (1) the direct salary costs (including the cost
11 of such fringe benefits as are normally paid to its personnel
12 by the State agency) of the personnel used to make such
13 interviews and such postinterview field investigations as are
14 necessary to certify the eligibility of such households, and of
15 the immediate supervisor of such personnel, for such periods
16 of time as they are employed in certifying the eligibility of
17 such households; (2) travel and related costs incurred by
18 such personnel in postinterview field investigations of such
19 households; and (3) an amount not to exceed 25 per centum
20 of the costs computed under (1) and (2) above.

21 APPROPRIATIONS

22 SEC. 16. (a) To carry out the provisions of this Act,
23 there is hereby authorized to be appropriated not in excess of
24 \$25,000,000 for the fiscal year ending June 30, 1964; not
25 in excess of \$100,000,000 for the fiscal year ending June

1 30, 1965; not in excess of \$175,000,000 for the fiscal year
2 ending June 30, 1966; and not in excess of \$250,000,000
3 for the fiscal year ending June 30, 1967. Such portion of
4 any such appropriation as may be required to pay for the
5 value of the coupon allotments issued to eligible households
6 which is in excess of the charges paid by such households
7 for such allotments shall be transferred to and made a part
8 of the separate account created under section 7 (d) of this
9 Act.

10 (b) In any fiscal year, the Secretary shall limit the
11 value of those coupons issued which is in excess of the value
12 of coupons for which households are charged, to an amount
13 which is not in excess of the portion of the appropriation
14 for such fiscal year which is transferred to the separate
15 account under the provisions of subsection (a) of this section.

16 (c) If the Secretary determines that any of the funds
17 in the separate account created under section 7 (d) of this
18 Act are no longer required to carry out the provisions of this
19 Act, such portion of such funds shall be paid into the mis-
20 cellaneous receipts of the Treasury.

21 (d) Amounts expended under the authority of this Act
22 shall not be considered amounts expended for the purpose of

1 carrying out the agricultural price-support program and
2 appropriations for the purposes of this Act shall be consid-
3 ered, for the purpose of budget presentations, to relate to
4 the functions of the Government concerned with welfare.

A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

By Mrs. SULLIVAN

AUGUST 15, 1963

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Feb. 5, 1964
For actions of Feb. 4, 1964
88th-2nd; No. 20

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HIGHLIGHTS: House committee rejected food stamp bill. Rep. Aspinall inserted Sen. Hart's letter defending proposed land and water conservation fund. Sen. Burdick introduced and discussed wheat bill. Rep. Matsunaga introduced and discussed bill to establish tropical botanical garden. Rep. McLoskey criticized President's farm message.

HOUSE

1. FOOD STAMP PROGRAM. The Agriculture Committee voted to table H. R. 8107, the food stamp bill. p. D74
2. LAND AND WATER CONSERVATION. Rep. Aspinall inserted a letter by Sen. Hart, which he calls a "persuasive refutation of certain accusations" against the proposed land and water conservation fund legislation. The letter mentions particularly "public need for outdoor recreation resources as measured by the bipartisan Outdoor Recreation Resources Review Commission," and defends proposed Forest Service land acquisitions under the proposed legislation.
pp. 1853-55

3. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 1819-53, 1855-56, 1871
4. ST. LAWRENCE SEAWAY. Rep. Reuss spoke against raising the St. Lawrence Seaway tolls, discussed his proposed legislation which "would change the seaway's financial plan and assure reasonable toll charges," and inserted several articles in support of his position. pp. 1856-57
5. CIVIL DEFENSE. Received from the Secretary of Defense a report of the Office of Civil Defense. p. 1871
6. SMALL BUSINESS. Received from GAO a report on the "need for better supervision and administration of the business loan activities of the Small Business Administration." p. 1871
7. RIVER BASINS. Received from the Secretary of the Army a report on Yukon and Kuskokwim River Basins (H. Doc. 218). p. 1872
8. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported without amendment S. 2317, to amend Sec. 15 of the Shipping Act of 1916 so as to provide for the exemption of certain terminal leases from penalties (H. Rept. 1126). p. 1872
9. WATERSHED. The Public Works Committee approved the following watershed projects: Town Creek, Miss.; Rush Creek, Ohio; North Fork of Powder River, Wyo.; and Big Caney, Kans. and Okla. pp. D74-5
10. SOIL CONSERVATION; PERSONNEL. The Public Works Committee adopted a resolution "expressing the sense of the committee's sorrow in the loss of Carl B. Brown, Deputy Assistant Administrator for Watersheds, Soil Conservation Service, Department of Agriculture." p. D75

SENATE

11. TAXATION. Continued debate on H. R. 8363, the tax bill. pp. 1747-73, 1774-8 - 1790-1812
12. CONTRACTS. The Labor Subcommittee of the Labor and Public Welfare Committee voted to report to the full committee without amendment H. R. 6041, to amend the Davis-Bacon Act so as to provide that contractors and subcontractors working on U. S. Government construction projects shall include fringe benefits in determining prevailing wages for workers on such projects. pp. D73-4
13. EMPLOYMENT. The Labor and Public Welfare Committee reported with amendment S. 1937, to promote equal employment opportunity by securing equal treatment in employment and to establish an Equal Employment Opportunity Administration (S. Rept. 867). p. 1741
14. AIR AND WATER POLLUTION. Sen. Pell inserted and commended Sen. Ribicoff's article reviewing the harmful effects of air and water pollution, stating that "Deadly poisons are being poured into our environment," and urging increased efforts by the Government and the public to combat pollution. pp. 1813-4

H. R. 10222

IN THE HOUSE OF REPRESENTATIVES

May 2, 1906

Mr. [Name] introduced the following bill, which was read twice and passed on May 2, 1906.

A BILL

To amend the [Section] of the [Act] of [Date], and for other purposes.

Be it enacted by the Senate and House of Representatives

88TH CONGRESS
2D SESSION

H. R. 10222

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1964

Mrs. SULLIVAN introduced the following bill which was referred to the Committee on Agriculture

A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as "The Food Stamp Act of
4 1964".

DECLARATION OF POLICY

5
6 SEC. 2. It is hereby declared to be the policy of Con-
7 gress, in order to promote the general welfare, that the

1 Nation's abundance of food should be utilized cooperatively
2 by the States, the Federal Government, and local govern-
3 mental units to the maximum extent practicable to safeguard
4 the health and well-being of the Nation's population and
5 raise levels of nutrition among economically needy house-
6 holds. The Congress hereby finds that increased utilization
7 of foods in establishing and maintaining adequate national
8 levels of nutrition will tend to cause the distribution in a
9 beneficial manner of our agricultural abundances and will
10 strengthen our agricultural economy, as well as result in more
11 orderly marketing and distribution of food. To effectuate
12 the policy of Congress and the purposes of this Act, a food
13 stamp program, which will permit those households in eco-
14 nomic need to receive a greater share of the Nation's food
15 abundance, is herein authorized.

16 DEFINITIONS

17 SEC. 3. As used in this Act—

18 (a) The term "Secretary" means the Secretary of
19 Agriculture.

20 (b) The term "food" means any food or food product
21 for human consumption except alcoholic beverages, tobacco,
22 and those foods which are identified on the package as being
23 imported from foreign sources.

24 (c) The term "coupon" means any coupon, stamp, or

1 type of certificate issued pursuant to the provisions of this
2 Act.

3 (d) The term "coupon allotment" means the total value
4 of coupons to be issued to a household during each month or
5 other time period.

6 (e) The term "household" shall mean a group of re-
7 lated or nonrelated individuals, who are not residents of an
8 institution or boarding house, but are living as one economic
9 unit sharing common cooking facilities and for whom food
10 is customarily purchased in common. The term "household"
11 shall also mean a single individual living alone who has cook-
12 ing facilities and who purchases and prepares food for home
13 consumption.

14 (f) The term "retail food store" means an establish-
15 ment, including a recognized department thereof, or a house-
16 to-house trade route which sells food to households for home
17 consumption.

18 (g) The term "wholesale food concern" means an
19 establishment which sells food to retail food stores for resale
20 to households.

21 (h) The term "State agency" means the agency of the
22 State government which has responsibility for the admin-
23 istration of the federally aided public assistance programs.

1 (i) The term "bank" means member or nonmember
2 banks of the Federal Reserve System.

3 (j) The term "State" means the fifty States and the
4 District of Columbia.

5 (k) The term "food stamp program" means any pro-
6 gram promulgated pursuant to the provisions of this Act.

7 ESTABLISHMENT OF THE FOOD STAMP PROGRAM

8 SEC. 4. (a) The Secretary is authorized to formulate
9 and administer a food stamp program under which, at the
10 request of an appropriate State agency, eligible households
11 within the State shall be provided with an opportunity more
12 nearly to obtain a nutritionally adequate diet through the
13 issuance to them of a coupon allotment which shall have a
14 greater monetary value than their normal expenditures for
15 food. The coupons so received by such households shall be
16 used only to purchase food from retail food stores which have
17 been approved for participation in the food stamp program.
18 Coupons issued and used as provided in this Act shall be re-
19 deemable at face value by the Secretary through the facilities
20 of the Treasury of the United States.

21 (b) In areas where a food stamp program is in effect,
22 there shall be no distribution of foods to households under the
23 authority of any other law except during emergency situa-
24 tions caused by a natural disaster as determined by the
25 Secretary.

1 (c) The Secretary shall issue such regulations, not
2 inconsistent with this Act, as he deems necessary or appro-
3 priate for the effective and efficient administration of the
4 food stamp program.

5 ELIGIBLE HOUSEHOLDS

6 SEC. 5. (a) Households eligible to participate in the
7 food stamp program shall be those whose economic status
8 is such as to be a substantial limiting factor in the attainment
9 of a nutritionally adequate diet.

10 (b) Each State shall establish standards to determine
11 the eligibility of applicant households which standards,
12 among other things, shall take into account such of the
13 factors used by each State in granting assistance under the
14 federally aided public assistance programs as the Secretary
15 determines will tend to effectuate the purposes of the food
16 stamp program. The standards of eligibility to be used by
17 each State for the food stamp program shall be subject to the
18 approval of the Secretary.

19 ISSUANCE AND USE OF COUPONS

20 SEC. 6. (a) Coupons shall be printed in such denomina-
21 tions as may be determined to be necessary, and shall be
22 issued only to households which have been duly certified as
23 eligible to participate in the food stamp program.

24 (b) Coupons issued to eligible households shall be used
25 by them only to purchase food in retail food stores which

1 have been approved for participation in the food stamp
2 program at prices prevailing in such stores: *Provided*, That
3 nothing in this Act shall be construed as authorizing the
4 Secretary to specify the prices at which food may be sold by
5 wholesale food concerns or retail food stores.

6 (c) Coupons issued to eligible households shall be simple
7 in design and shall include only such words or illustrations
8 as are required to explain their purpose and define their
9 denomination. The name of any public official shall not
10 appear on such coupons.

11 VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE
12 MADE

13 SEC. 7. (a) The face value of the coupon allotment
14 which State agencies shall be authorized to issue to house-
15 holds certified as eligible to participate in the food stamp
16 program shall be in such amount as will provide such house-
17 holds with an opportunity more nearly to obtain a nutri-
18 tionally adequate diet.

19 (b) Households shall be charged such portion of the
20 face value of the coupon allotment issued to them as is de-
21 termined to be equivalent to their normal expenditures for
22 food.

23 (c) The value of the coupon allotment provided to any
24 eligible household which is in excess of the amount charged
25 such households for such allotment shall not be considered

1 to be income or resources for any purpose under any Fed-
2 eral or State laws including, but not limited to, laws re-
3 lating to taxation, welfare, and public assistance programs.

4 (d) Funds derived from the charges made for the
5 coupon allotment shall be promptly deposited in a manner
6 prescribed in the regulations issued pursuant to this Act, in
7 a separate account maintained in the Treasury of the United
8 States for such purpose. Such deposits shall be available,
9 without limitation to fiscal years, for the redemption of
10 coupons.

11 APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD

12 CONCERNS

13 SEC. 8. (a) Regulations issued pursuant to this Act
14 shall provide for the submission of applications for approval
15 by retail food stores and wholesale food concerns which
16 desire to be authorized to accept and redeem coupons under
17 the food stamp program and for the approval of those appli-
18 cants whose participation will effectuate the purposes of
19 the food stamp program. In determining the qualifications
20 of applicants there shall be considered among such other
21 factors as may be appropriate, the following: (1) the nature
22 and extent of the retail or wholesale food business conducted
23 by the applicant; (2) the volume of coupon business which
24 may reasonably be expected to be conducted by the appli-
25 cant retail food store or wholesale food concern; and (3)

1 the business integrity and reputation of the applicant. Ap-
2 proval of an applicant shall be evidenced by the issuance to
3 such applicant of a nontransferable certificate of approval.

4 (b) Regulations issued pursuant to this Act shall re-
5 quire an applicant retail food store or wholesale food concern
6 to submit information which will permit a determination
7 to be made as to whether such applicant qualifies, or con-
8 tinues to qualify, for approval under the provisions of this
9 Act or the regulations issued pursuant to this Act. Regula-
10 tions issued pursuant to this Act shall provide for safeguards
11 which restrict the use or disclosure of information obtained
12 under the authority granted by this subsection to purposes
13 directly connected with administration and enforcement of
14 the provisions of this Act or the regulations issued pursuant
15 to this Act.

16 (c) Any retail food store or wholesale food concern
17 which has failed upon application to receive approval to par-
18 ticipate in the food stamp program may obtain a hearing
19 on such refusal as provided in section 13 of this Act.

20 REDEMPTION OF COUPONS

21 SEC. 9. Regulations issued pursuant to this Act shall
22 provide for the redemption of coupons accepted by retail
23 food stores through approved wholesale food concerns or
24 through banks, with the cooperation of the Treasury Depart-
25 ment.

ADMINISTRATION

SEC. 10. (a) All practicable efforts shall be made in the administration of the food stamp program to insure that participants use their increased food purchasing power to obtain those staple foods most needed in their diets, and particularly those in abundant or surplus supply. In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted.

(b) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons: *Provided*, That the State agency may, subject to approval by the Secretary, delegate its responsibility in connection with the issuance of coupons to another agency of the State government. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations.

(c) In the certification of applicant households for the

1 food stamp program there shall be no discrimination against
2 any household by reason of race, religious creed, national
3 origin, or political beliefs.

4 (d) Participating States or participating political sub-
5 divisions thereof shall not decrease welfare grants or other
6 similar aid extended to any person or persons as a conse-
7 quence of such person's or persons' participation in benefits
8 made available under the provisions of this Act or the regu-
9 lations issued pursuant to this Act.

10 (e) The State agency of each State desiring to par-
11 ticipate in the food stamp program shall submit for approval
12 a plan of operation specifying the manner in which such
13 program will be conducted within the State, the political
14 subdivisions within the State in which the State desires to
15 conduct the program, and the effective dates of participation
16 by each such political subdivision. In addition, such plan of
17 operation shall provide, among such other provisions as may
18 by regulation be required, the following: (1) the specific
19 standards to be used in determining the eligibility of appli-
20 cant households; (2) that the State agency shall undertake
21 the certification of applicant households in accordance with
22 the general procedures and personnel standards used by them
23 in the certification of applicants for benefits under the fed-
24 erally aided public assistance programs; (3) safeguards
25 which restrict the use or disclosure of information obtained

1 from applicant households to persons directly connected with
2 the administration or enforcement of the provisions of this
3 Act or the regulations issued pursuant to this Act; and
4 (4) for the submission of such reports and other information
5 as may from time to time be required.

6 (f) If the Secretary determines that in the adminis-
7 tration of the program there is a failure by a State agency to
8 comply substantially with the provisions of this Act, or with
9 the regulations issued pursuant to this Act, or with the State
10 plan of operation, he shall inform such State agency of such
11 failure and shall allow the State agency a reasonable period
12 of time for the correction of such failure. Upon the expira-
13 tion of such period, the Secretary shall direct that there be
14 no further issuance of coupons in the political subdivisions
15 where such failure has occurred until such time as satisfactory
16 corrective action has been taken.

17 DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLE-
18 SALE FOOD CONCERNS

19 SEC. 11. Any approved retail food store or wholesale
20 food concern may be disqualified from further participation
21 in the food stamp program on a finding, made as specified
22 in the regulations, that such store or concern has violated
23 any of the provisions of this Act, or of the regulations issued
24 pursuant to this Act. Such disqualification shall be for such
25 period of time as may be determined in accordance with

1 regulations issued pursuant to this Act. The action of dis-
2 qualification shall be subject to review as provided in section
3 13 of this Act.

4 DETERMINATION AND DISPOSITION OF CLAIMS

5 SEC. 12. The Secretary shall have the power to deter-
6 mine the amount of and settle and adjust any claim and to
7 compromise or deny all or part of any such claim or claims
8 arising under the provisions of this Act or the regulations
9 issued pursuant to this Act.

10 ADMINISTRATIVE AND JUDICIAL REVIEW

11 SEC. 13. Whenever—

12 (a) an application of a retail food store or wholesale
13 food concern to participate in the food stamp program is
14 denied,

15 (b) a retail food store or a wholesale food concern
16 is disqualified under the provisions of section 11 of this
17 Act, or

18 (c) all or part of any claim of a retail food store or
19 wholesale food concern is denied under the provisions of
20 section 12 of this Act, notice of such administrative
21 action to be issued to the retail food store or wholesale
22 food concern involved. Such notice shall be delivered by
23 certified mail or personal service. If such store or
24 concern is aggrieved by such action, it may, in accord-
25 ance with regulations promulgated under this Act, with-

1 in ten days of the date of delivery of such notice, file
2 a written request for an opportunity to submit informa-
3 tion in support of its position to such person or persons
4 as the regulations may designate. If such a request is
5 not made or if such store or concern fails to submit in-
6 formation in support of its position after filing a request,
7 the administrative determination shall be final. If such
8 a request is made by such store or concern, such informa-
9 tion as may be submitted by the store or concern, as
10 well as such other information as may be available, shall
11 be reviewed by the person or persons designated, who
12 shall, subject to the right of judicial review hereinafter
13 provided, make a determination which shall be final and
14 which shall take effect fifteen days after the date of
15 the delivery or service of such final notice of determina-
16 tion. If the store or concern feels aggrieved by such
17 final determination he may obtain judicial review thereof
18 by filing a complaint against the United States in the
19 United States district court for the district in which he
20 resides or is engaged in business, or in any court of record
21 of the State having competent jurisdiction, within thirty
22 days after the date of delivery or service of the final
23 notice of determination upon him, requesting the court
24 to set aside such determination. The copy of the sum-
25 mons and complaint required to be delivered to the

1 official or agency whose order is being attacked shall be
2 sent to the Secretary or such person or persons as he
3 may designate to receive service of process. The suit
4 in the United States district court or State court shall
5 be a trial de novo by the court in which the court shall
6 determine the validity of the questioned administrative
7 action in issue. If the court determines that such ad-
8 ministrative action is invalid it shall enter such judgment
9 or order as it determines is in accordance with the law
10 and the evidence. During the pendency of such judicial
11 review, or any appeal therefrom, the administrative
12 action under review shall be and remain in full force and
13 effect, unless an application to the court on not less
14 than ten days' notice, and after hearing thereon and a
15 showing of irreparable injury, the court temporarily
16 stays such administrative action pending disposition of
17 such trial or appeal.

18 VIOLATIONS AND ENFORCEMENT

19 SEC. 14. (a) Notwithstanding any other provisions of
20 this Act, the Secretary may provide for the issuance or pre-
21 sentment for redemption of coupons to such person or per-
22 sons, and at such times and in such manner, as he deems
23 necessary or appropriate to protect the interests of the
24 United States or to insure enforcement of the provisions of
25 this Act or the regulations issued pursuant to this Act.

1 (b) Whoever knowingly uses, transfers, acquires, or
2 possesses coupons in any manner not authorized by this Act
3 or the regulations issued pursuant to this Act shall, if such
4 coupons are of the value of \$100 or more, be guilty of a
5 felony and shall, upon conviction thereof, be fined not more
6 than \$10,000 or imprisoned for not more than five years, or
7 both, or, if such coupons are of a value of less than \$100,
8 shall be guilty of a misdemeanor and shall, upon conviction
9 thereof, be fined not more than \$5,000 or imprisoned for not
10 more than one year, or both.

11 (c) Whoever presents, or causes to be presented,
12 coupons for payment or redemption of the value of \$100
13 or more, knowing the same to have been received, trans-
14 ferred, or used in any manner in violation of the provisions
15 of this Act or the regulations issued pursuant to this Act
16 shall be guilty of a felony and shall, upon conviction thereof,
17 be fined not more than \$10,000 or imprisoned for not more
18 than five years, or both, or, if such coupons are of a value
19 of less than \$100, shall be guilty of a misdemeanor and shall,
20 upon conviction thereof, be fined not more than \$5,000 or
21 imprisoned for not more than one year, or both.

22 (d) Coupons issued pursuant to this Act shall be
23 deemed to be obligations of the United States within the
24 meaning of title 18, United States Code, section 8.

COOPERATION WITH STATE AGENCIES

SEC. 15. (a) Each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act. Except as provided for in subsection (b) of this section, such costs shall include, but shall not be limited to, the certification of households; the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; and the issuance of such coupons to eligible households and the control and accounting therefor.

(b) The Secretary is authorized to cooperate with State agencies in the certification of households which are not receiving any type of public assistance so as to insure the effective certification of such households in accordance with the eligibility standards approved under the provisions of section 10 of this Act. Such cooperation shall include payments to State agencies for part of the cost they incur in the certification of such households. The amount of such payment to any one State agency shall be 50 per centum of the sum of:

- (1) the direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such postinterview field investigations as are necessary to

1 certify the eligibility of such households, and of the immediate
2 supervisor of such personnel, for such periods of time as they
3 are employed in certifying the eligibility of such households;
4 (2) travel and related costs incurred by such personnel in
5 postinterview field investigations of such households; and
6 (3) an amount not to exceed 25 per centum of the costs
7 computed under (1) and (2) above.

8 APPROPRIATIONS

9 SEC. 16. (a) To carry out the provisions of this Act,
10 there is hereby authorized to be appropriated not in excess of
11 \$25,000,000 for the fiscal year ending June 30, 1964; not
12 in excess of \$100,000,000 for the fiscal year ending June
13 30, 1965; not in excess of \$175,000,000 for the fiscal year
14 ending June 30, 1966; and not in excess of \$250,000,000
15 for the fiscal year ending June 30, 1967. Such portion of
16 any such appropriation as may be required to pay for the
17 value of the coupon allotments issued to eligible households
18 which is in excess of the charges paid by such households
19 for such allotments shall be transferred to and made a part
20 of the separate account created under section 7 (d) of this
21 Act.

22 (b) In any fiscal year, the Secretary shall limit the
23 value of those coupons issued which is in excess of the value
24 of coupons for which households are charged, to an amount

1 which is not in excess of the portion of the appropriation
2 for such fiscal year which is transferred to the separate
3 account under the provisions of subsection (a) of this section.

4 (c) If the Secretary determines that any of the funds
5 in the separate account created under section 7 (d) of this
6 Act are no longer required to carry out the provisions of this
7 Act, such portion of such funds shall be paid into the mis-
8 cellaneous receipts of the Treasury.

9 (d) Amounts expended under the authority of this Act
10 shall not be considered amounts expended for the purpose of
11 carrying out the agricultural price-support program and
12 appropriations for the purposes of this Act shall be consid-
13 ered, for the purpose of budget presentations, to relate to
14 the functions of the Government concerned with welfare.

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A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

By Mrs. SULLIVAN

MARCH 3, 1964

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
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Issued Mar. 5, 1964
For actions of Mar. 4, 1964
88th-2nd; No. 39

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				Wood products.....	36

HIGHLIGHTS: Senate debated cotton-wheat bill, including amendment to control meat imports, and rejected amendment to repeal tobacco supports. Senate committee submitted report on migratory labor problem. Senate committee voted to report bills to prohibit futures trading in potatoes, to provide for marketing quotas on potatoes, and to amend Watershed Act. House committee voted to report food stamp bill. House Rules Committee cleared pay-raise bill.

SENATE

1. COTTON; WHEAT. Continued debate on H. R. 6196, the cotton-wheat bill (pp. 4180-203, 4209-17, 4224, 4232-3). Rejected, 26-63, the Williams amendment to repeal tobacco price supports (pp. 4180-8, 4196-203). Rejected, 30-60, the Humphrey-Burdick amendment to provide a minimum support level of 65% for wheat used for export (pp. 4188-92). Began debate on an amendment by Sen. Hruska and others to control meat imports (pp. 4192, 4194-6, 4209-17, 4232-3). Sen. Javits submitted, discussed, and withdrew (for separate committee consideration) an amendment to provide for a commission to study possible revision of agricultural laws and programs (pp. 4192-4).

2. MIGRATORY LABOR. The Labor and Public Welfare Committee submitted a report, "The Migratory Farm Labor Problem in the United States." (S. Rept. 934) pp. 4221-2
3. POTATOES; WATERSHEDS. The Agriculture and Forestry Committee voted to report but did not actually report) S. 332, to prohibit futures trading in Irish potatoes; S. 829, to provide for marketing quotas on Irish potatoes; and S. 1790, to increase the maximum size of reservoirs under the Watershed Protection and Flood Prevention Act. p. D167
4. PERSONNEL. The Post Office and Civil Service Committee reported with amendments H. R. 7381, to simplify, modernize, and consolidate the dual compensation laws (S. Rept. 935) p. 4221
5. TRANSPORTATION. Sen. Hart inserted testimony by A. C. Sullivan, Jr. on the importance of Great Lakes Shipping. pp. 4243-5

HOUSE

6. WHEAT. Rep. Alger charged that Rep. Stinson was threatened because of his view that the wheat shipped to Russia is being turned into alcohol for military uses. p. 4119
Rep. Findley criticized the shipment of wheat to Russia, claiming Khrushchev used it to "wreck our economic blockade of Cuba." p. 4176
 7. POVERTY. Rep. Hall criticized Secretary Freeman's rural renewal program in its selection of pilot areas and inserted an article on this subject. pp. 4147-9
Rep. Hall inserted an article stating that "the only real means of reducing poverty is to increase and improve private enterprise." pp. 4159-61
 8. MEAT IMPORTS. Rep. Schwengel discussed his bill to require labeling of all meat imports; charged that the Agriculture Committee is more interested in other agricultural commodities, especially tobacco, than in the problems of meat; and stated that imported beef was being used in the school lunch program pp. 4155-6
 9. LUMBER STANDARDS. Rep. Berry charged that Rep. Roosevelt and Under Secretary of Commerce Roosevelt were preventing action on the changing of lumber standards. p. 4174
-
10. FOOD STAMP PLAN. The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 10222, the food stamp bill. p. D169
 11. PERSONNEL. The Rules Committee voted to report (but did not actually report) a resolution for consideration of H. R. 8986, the Federal employees' pay increase bill. p. D171
 12. COMMITTEES. Agreed to, as reported, H. Res. 589, to authorize further expenses for the Interior and Insular Affairs Committee to make investigations. p. 4123
 13. PEACE CORPS. Passed without amendment S. 2455, to authorize the appropriation of \$115 million to finance the operation of the Peace Corps during fiscal year 1965. A similar bill, H. R. 9666, was laid on the table. This bill is now ready for the President. pp. 4125-45

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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HIGHLIGHTS: Rep. Hoeven objected to Rep. Cooley's request to concur in Senate version of cotton-wheat bill. House committee reported food stamp bill. Rep. Flood inserted Frank Graham's address favoring regionalism as aid to area redevelopment. Rep. Michel inserted editorial criticizing wheat provisions of cotton-wheat bill. Rep. Quie inserted Central Livestock Assn's resolutions opposing meat and wool imports.

HOUSE

1. COTTON; WHEAT. Rep. Hoeven objected to a request by Rep. Cooley that the House concur in the Senate version of H. R. 6196, the cotton-wheat bill. The revised bill was printed in the Record. pp. 4512-5
2. FOOD STAMP PLAN. The Agriculture Committee reported with amendment H. R. 10222, the food stamp bill (H. Rep. 1228). p. 4570
3. AREA REDEVELOPMENT. Rep. Flood inserted an address by Dr. Frank P. Graham on "Regionalism, one of the basic facts and hopes of modern America in the war on underconsumption and for redevelopment of depressed areas." pp. 4527-30

4. ELECTRIFICATION. Rep. Saylor objected to a request by Rep. Aspinall that the House agree to a further conference on S. 1007, to guarantee to electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority. p. 4535
5. MANPOWER. Both Houses received the President's Manpower Report, pursuant to the Manpower Development and Training Act of 1962, and the report of the Secretary of Labor on manpower requirements, resources, use, and training. pp 4535, 4572
6. FOREIGN AID. Rep. Snyder inserted a Ky. Legislature resolution criticizing foreign aid. p. 4565
7. APPROPRIATIONS. Received from the President proposals for reductions in certain 1965 Budget items, including the following items for this Department (H. Doc. 240); to Appropriations Committee (p. 4569):
 - Agricultural Research Service--a reduction of \$300,000 in the appropriation for "Plant and animal disease and pest control";
 - Cooperative State Research Service--a reduction of \$20,000 in administrative funds;
 - Foreign Agricultural Service--a reduction of \$37,000;
 - Administrative Expenses, Commodity Credit Corporation--a reduction of \$299,000;
 - Office of Management Services--a reduction of \$45,000;
 - General Administration--a reduction of \$15,000;
 - Forest Service--a reduction of \$500,000 in the appropriation for "Forest land management" and a reduction of \$300,000 in the "Forest roads and trails" appropriation;
 - Rural Electrification Administration--a reduction of \$90,000 in administrative funds; and
 - Farmers Home Administration--a reduction of \$100,000 in administrative funds.
8. REPORTS. Received reports as follows: From this Department on the ACP program; from the Interior Department on salt-water research; from the Tariff Commission on the trade agreements program. p. 4569

Both Houses received report from the Comptroller General on "overpayments of wages made to fire-fighters by the Forest Service. pp. 4599, 4569
9. WATERSHEDS. Both Houses received from the Budget Bureau plans of improvement relating to the following watersheds: Bear Creek, Mo.; Blockton, Iowa; Hondo Creek, Tex.; 102 river tributaries (supplemental), Mo.; Valley Creek, Ky.; and Bear-Tilda Bogue, Miss. pp. 4569, 4599
10. WATER RESEARCH. The Public Works Committee reported without amendment H. Con. Res. 189, expressing the sense of Congress that the southwest regional water laboratory should be known as the "Robert S. Kerr Water Research Center" (H. Rept. 1224). p. 4570

FOOD STAMP ACT OF 1964

MARCH 9, 1964.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

together with

MINORITY VIEWS AND SEPARATE VIEWS

[To accompany H.R. 10222]

The Committee on Agriculture, to whom was referred the bill (H.R. 10222) to strengthen the agricultural economy, to help to achieve a fuller and more effective use of food abundances, to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade, and for other purposes, having considered the same, report favorably thereon with amendment and recommend that the bill do pass.

The amendment is as follows:

On page 2, line 21, after the word "tobacco," insert "soft drinks, luxury foods and luxury frozen foods as determined by the Secretary,".

On page 2, line 23, delete the period at the end of the sentence and insert "when they arrive at the retail food store.".

On page 9, line 6, after the word "particularly", insert "to encourage the continued use of".

On page 9, line 6, delete the period and insert
so as not to reduce the total consumption of surplus commodities which have been made available through direct distribution.

On page 17, line 12, strike the figure "\$100,000,000" and insert "\$75,000,000".

On page 17, line 13, strike the figure "\$175,000,000" and insert "\$100,000,000".

the issuing agency, usually a local bank. An adult member of the household is then authorized to purchase the eligible foods from a participating retail store. The retail merchant deposits the foods stamps in his bank along with his other current receipts and they are credited to his account as a Government check would be, and redeemed through the Federal Reserve System. The merchant may also use the stamps to pay a bill he may owe a wholesaler, if the wholesaler is a participant in the program. The wholesaler would then redeem the coupons through the banking system.

COST OF THE PROGRAM

A comprehensive study conducted by the Department of Agriculture estimated the cost of a national food stamp program reaching about 4 million needy persons, such as is contemplated in this bill, to be about \$360 million a year. Discontinuation of the direct distribution of surplus commodities to needy persons covered by the food stamp program would result in a net savings to the Federal Government of at least \$185 million, or as much as \$280 million a year. The difference in the estimate of savings represents different valuations of surplus commodities owned by the Government: the lower figure assumes no salvage value for surplus commodities; the higher figure values surplus commodities at acquisition cost.

The net additional Federal expenditures required to operate a national food stamp program, therefore, would be at most approximately \$175 million or as little as \$80 million, depending on the valuation placed on surplus commodities now being distributed.

In arriving at its estimates of the cost of the food stamp program proposed in this bill, the Department assumed that the program would be requested by and established in all of the approximately 1,500 counties now receiving foods under the direct distribution program.

HISTORY OF H.R. 10222

H.R. 5733, the original food stamp bill, was introduced on April 22, 1963. Hearings were held on the legislation by the House Committee on Agriculture on June 10, 11, and 12. About 35 of the 40 witnesses, including 15 Members of Congress representing both parties, testified in favor of the food stamp program. At the conclusion of the hearings, it was apparent that there were a number of problems in connection with this legislation and the chairman appointed a special subcommittee headed by Hon. Harlan Hagen to redraft the bill. This subcommittee held hearings on August 7, 8, and 15, 1963. Members of the subcommittee also made an on-the-spot inspection trip to Uniontown, Pa., to get a firsthand look at the program in operation. The subcommittee, after making several amendments, voted to report a new bill to the full committee. H.R. 8107, a clean bill, incorporating the subcommittee amendments, was introduced on August 15, 1963. The House Committee on Agriculture held executive meetings on October 30, 1963, and on February 4, 1964, and on that date voted to table H.R. 8107. After further consideration of the food stamp program, amendments were suggested to the bill to further clarify the committee intent and H.R. 10222 was introduced as a clean bill on March 3, 1964. The House Committee on Agriculture met in

executive session on March 4, and voted to report the bill, as amended, to the House.

STATEMENT

The food stamp program is an essential instrument in the war on poverty.

H.R. 10222 improves, expands, and makes permanent the food stamp program that now is operating successfully on a pilot and experimental basis in 43 areas in 22 States, covering some 380,000 persons.

There now are on file in the Department of Agriculture 234 requests for the program from other localities in many States.

The food stamp program, through the pilot operations, has proved to be the most effective method yet devised to insure that all Americans have the opportunity for an adequate diet.

For many years surplus commodities have been distributed by the Government directly to needy persons. The food stamp program operates through the regular food marketing system.

H.R. 10222 establishes a national policy that, in order to promote the general welfare, the Nation's abundance of food shall be utilized cooperatively by the States, the Federal Government, and local governmental units to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households.

Moreover, through this legislation, the Congress finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundance and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food.

Therefore, H.R. 10222 improves, expands, and provides specific congressional directives for the food stamp program, to permit those households in economic need to receive a greater share of the Nation's food abundance.

Experience to date with the pilot food stamp projects show that—

1. Participants, who pay a little over \$6 for every \$10 worth of coupons, substantially increased their food consumption. More than 80 percent of the increase came in meats, fruits, and vegetables. Compared to the diets available under the direct distribution of surplus commodities, the number of families able to achieve a nutritionally adequate diet was almost doubled.

2. The demand for food products which come under Federal price support programs is greater than under the direct distribution program, primarily because of the increased use of meat and meat products which increases the use of feed grains. In addition, while the cost of the food stamp program and a comparable direct distribution program are nearly the same, the return to farmers under the food stamp program is greater.

3. Retail food store sales have increased an average of 8 percent in the pilot food stamp areas. The additional dollars spent for food stimulate the economy of the community. Thus, where the direct distribution program requires a competing distribution system, the food stamp program works for the benefit of the food industry as well as the consumer. Yet the cost to the Government is about the same.

4. Very few persons have attempted to take unfair advantage of the food stamp program in the pilot areas. Less than one-half of 1 percent of the participating stores have been involved in program violations.

A more detailed discussion of the operation of the pilot program follows.

Inauguration of the pilot program

The Department of Agriculture was requested, in the President's economic message to the Congress of February 2, 1961 (H. Doc. 81, 87th Cong.), to establish immediately a pilot food stamp program. The purpose was to test out the effectiveness of such an approach in providing additional nutrition to those now in need and in making more effective use of our abundance of food.

On March 7, 1961, the Department of Agriculture announced the eight areas that had been tentatively selected for pilot programs. These eight areas were: Franklin County, Ill.; Floyd County, Ky.; Virginia-Hibbing-Nashwauk complex in northern Minnesota; city of Detroit, Mich.; Silver Bow County, Mont.; San Miguel County, N. Mex.; Fayette County, Pa.; and McDowell County, W. Va.

Appropriate State and local officials in the designated pilot areas agreed to cooperate and the terms of these agreements were incorporated into a Federal-State plan of operation.

On April 14, 1961, the Department announced the detailed provisions of the pilot food stamp program. The first pilot project was opened in McDowell County, W. Va., on May 29, 1961, and the remaining seven areas were in operation by mid-July of that year.

The pilot food stamp program was placed into operation under the authority of clause (2) of section 32 of the act of August 24, 1935, as amended. Clause 2 authorizes expenditures to encourage the domestic consumption of agricultural commodities through "benefits, indemnities, donations or by other means, among persons in low-income groups as determined by the Secretary of Agriculture." These same authorities and funds were previously used by the Department to operate a similar food stamp plan between 1939 and 1943.

Special studies by the research agencies of the Department were undertaken to evaluate the effectiveness of the pilot food stamp program in expanding farm markets and in improving the nutrition of low-income households. The results of these studies are summarized in the following sections of this report.

How the program works

There has been a high degree of Federal, State, and local cooperation in the operation of the pilot food stamp program. Within each State, the State agency responsible for administering the federally aided public assistance program has assumed responsibility for the certification of applicant families and for the sale and issuance of the food coupons. At the election of these State agencies, however, responsibility for the issuance of coupons could be delegated to another agency of the State government or to the local governmental unit in the designated area.

Individual families are certified to participate in the program by local offices of the State welfare agency on the basis of their financial need. Households receiving public assistance, as well as other low-

income households not receiving any form of public assistance, are eligible under standards developed cooperatively with the States.

Participating households buy the food coupons at issuance offices established by the State agency or the local governmental unit. The price for such coupons approximates the amount they would spend for food out of whatever income is available to the household. When the households have little or no income, they make only "token" payments or they may receive some coupons free of charge. In return, they receive an allotment of food coupons of higher monetary value. In January 1964, for example, the average participant was paying \$6 for every \$10 worth of coupons received.

Participating households may then use the coupons to purchase food in any retail store approved to accept and redeem food stamps. Generally, except for those store owners who may not wish to participate, all retail stores in the designated areas are approved to accept food coupons. Under the pilot program, participants have been able to use their coupons to purchase any food for human consumption except alcoholic beverages, tobacco, and certain designated imported foods.

The retail store, in turn, redeems the food coupons through the commercial banking system—depositing coupons in the bank just as other cash receipts and commercial paper. The banks then redeem the coupons through the Federal Reserve System. The Federal Reserve banks are reimbursed out of a special account maintained in the U.S. Treasury. The moneys collected from participants for the coupons they purchase are deposited into this account through the commercial banking system and the Department of Agriculture transfers sufficient section 32 funds to this account to cover the cost of the free coupons.

Scope of the pilot operation.

Following the initial year of operation, a further limited expansion of the pilot program was undertaken. The new localities were designated to evaluate the program under a wider range of operating conditions than was possible during the first year. Also, both States and the Department of Agriculture wanted experience in carrying out their respective responsibilities when more than one country or other political subdivision of a State was involved.

In January 1964, pilot programs were in operation in 40 counties and 3 large cities in 22 States.¹ In that month, 380,000 persons were participating. Experience under the pilot program indicates that program participation follows a seasonal pattern—increasing in the winter months when unemployment increases seasonally and then declining in the late spring and summer months. Also, the level of participation has been very responsive to other changes which have affected employment opportunities within the 43 pilot areas.

Administrative feasibility of the program

The pilot operation has demonstrated that a food stamp program is practicable in terms of its administrative and operating aspects.

1. Careful certification of applicant households has been obtained through the use of the trained staff of the State agency administering the federally aided public assistance program.

¹ Summary of participation shown in table I.

2. Proper controls and accountability have been maintained over the coupons sent to State agencies and the moneys received by issuing agencies from the sale of coupons to participants.

3. Only minor operating problems have been experienced by retailers in the acceptance of food coupons and these problems tend to be eliminated as store employees gain experience in the program. For example, it has been practical for the store employees, at the checkout counter, to insure that participants were not using coupons for the relatively few ineligible imported foods. Use of the commercial banking system has provided retailers with a rapid means of redeeming the food coupons they accept. And they have found that the food stamp program can be easily geared into their normal operating and merchandising practices.

4. A high degree of compliance with Federal regulations concerning the limitations on the use of food coupons has been obtained. At the retail level, violations of these program requirements have been less than one-half of 1 percent of the 14,000 grocers approved for participation in the program.

Program results

The pilot food stamp program has proved to be an effective means of expanding farm markets and of improving the food consumption and nutrition of low-income households.

Highlights of the results of the special evaluation studies undertaken by the research agencies of the Department are:

1. Participating households made significant increases in their food consumption under the stamp program even though they had formerly been receiving federally donated commodities.

2. Over 80 percent of this increase was accounted for by livestock products and fruits and vegetables alone.

3. The nutritional value of the diets of participating households was substantially improved. Almost twice as many households were able to achieve nutritionally adequate diets after the program was inaugurated.

4. Retail food store sales increased an average of 8 percent in the pilot areas after the pilot food stamp program was inaugurated. All sizes of stores—from the very small to the largest—shared in this increase.

5. A special analysis of household food consumption among participating households in Detroit showed that grain utilization increased by 24 percent under the program.² While the coupons were not earmarked specifically for surplus foods, a larger indirect use of grains through higher consumption of livestock products, together with a slight increase in use of cereal and bakery products, accounted for this increase.

Finally, the special analysis of the Detroit pilot program indicates that the program is more effective in increasing retail food store expenditures and farm income. This is because (1) assurance is provided that the Federal contribution in free coupons actually results in a net increase in food expenditures because participants are required to use their regular food money in coupons; (2) although participants make their own food selections, there was some shift to foods providing farmers with a higher proportion of the retail food dollar.

² Grain and surplus food consumption shown in table 11.

In Detroit, the Federal cost of the previous commodity donation program and the pilot food stamp program were approximately the same.³ Under the donation program, participating families were consuming foods which returned \$1.75 per person per week to the farmer. Under the stamp program, these same families (even though some did not participate in the stamp program) were consuming foods which returned \$2.01 per person per week to the farmer—an increase of 15 percent.

TABLE I.—Comparison of participation and percent change, January 1964

FOOD STAMP PROGRAM—SUMMARY OF PARTICIPATION

State and county	Total participation			Current participation	
	January	December	Percent increase	Public assistance	Nonpublic assistance
Alabama:					
Jefferson.....	16,040	15,004	7	4,446	11,594
Walker.....	6,566	6,258	5	3,395	3,171
Arkansas: Independence.....	1,157	1,075	8	472	685
California: Humboldt.....	1,070	867	23	586	484
Illinois: Franklin.....	2,254	2,264	-----	1,693	561
Indiana: Vanderburgh.....	4,610	4,388	5	2,475	2,135
Kansas: Rice.....	48	49	-2	35	13
Kentucky:					
Floyd.....	6,277	5,798	8	1,008	5,269
Knott.....	5,178	4,999	4	1,280	3,898
Perry.....	6,399	6,060	6	958	5,441
Louisiana:					
Avoyelles (parish).....	6,631	5,867	13	398	6,233
Evangeline (parish).....	10,094	9,937	2	1,382	8,712
Michigan: Detroit.....	60,336	59,432	2	47,650	12,686
Minnesota:					
Carlton.....	854	799	7	478	376
Itasca.....	1,922	1,550	24	575	1,347
St. Louis.....	9,242	8,242	12	5,314	3,928
Missouri: St. Louis (city).....	11,163	11,280	-1	4,546	6,617
Montana: Silver Bow.....	1,077	1,015	6	575	502
New Mexico:					
Mora.....	639	586	9	340	299
San Miguel.....	3,371	3,130	8	1,630	1,741
Santa Fe.....	1,730	1,609	8	916	814
North Carolina: Nash.....	8,471	6,884	23	1,577	6,894
Ohio:					
Cuyaboga.....	51,160	51,181	-----	45,569	5,591
Lucas.....	13,805	13,577	2	12,192	1,613
Oregon: Multnomah.....	11,838	11,329	4	9,709	2,129
Pennsylvania:					
Cambria.....	10,202	10,178	-----	7,233	2,919
Fayette.....	20,923	20,625	1	16,641	4,282
Luzerne.....	11,638	11,257	3	7,563	4,073
Pittsburgh.....	39,302	37,862	4	33,359	5,943
Tennessee:					
Grundy.....	2,051	1,860	10	432	1,619
Hamilton.....	6,323	6,015	5	3,027	3,296
Marion.....	3,158	3,116	1	583	2,575
Sequatchie.....	439	394	11	185	254
Virginia:					
Dickenson.....	3,034	2,631	15	343	2,691
Lee.....	2,595	2,595	-----	523	2,072
Wise.....	3,830	3,473	10	454	3,376
Washington: Gray's Harbor.....	1,181	1,100	7	870	311
West Virginia:					
Logan.....	8,110	8,139	-----	7,013	1,097
McDowell.....	9,651	9,712	-1	8,540	1,111
Mingo.....	7,798	7,713	1	6,781	1,017
Wayne.....	5,112	5,185	-1	4,627	485
Wisconsin:					
Douglas.....	1,774	1,573	13	862	912
Iron.....	354	366	-3	122	232
Grand total.....	379,407	366,974	3	248,409	130,998

Source: U.S. Department of Agriculture, Agricultural Marketing Service.

³ Impact on farm income shown in table III.

FOODS CONSUMED

The following table, prepared by the Department of Agriculture, shows that the food stamp program has brought about an overall increase of 24 percent in the use of grains directly and indirectly among participating families above their preprogram level of consumption when the direct distribution program was in operation. This conclusion is based on a special analysis of changes in household food consumption made in Detroit, Mich., as part of the initial evaluation of the pilot food stamp program. Participation in the Detroit pilot program represented over half of the total participation in the original eight pilot areas.

On a per capita basis, participating families increased their direct consumption of grains or grain products from 4.8 to 5.2 pounds per week. In addition, the indirect use of grains through the consumption of animal products increased from 39.1 to 48.4 pounds per person per week. This substantial increase in consumption of animal products resulted when families used their additional purchasing power to buy more of these products.

TABLE II.—*Grain consumption under the commodity donation and food stamp programs, Detroit, Mich.*

Food categories	Pounds of grain consumed per person in 1 week	
	Under commodity donations (April-May)	Under food stamp program (September-October)
	<i>Pounds</i>	<i>Pounds</i>
Foods consumed as grains or grain products:		
Wheat:		
Flour and cereal products.....	2.1	2.2
Commercial bakery products.....	1.4	1.8
Total.....	3.5	4.0
Corn and products (total).....	1.0	1.0
Rice (total).....	.3	.2
Total, grains and products.....	4.8	5.2
Grain foods required for animal products consumed:		
Meats and products.....	24.0	32.2
Poultry and eggs.....	7.9	9.0
Dairy products.....	7.2	7.2
Total, grain feeds.....	39.1	48.4
Total, food and feed grains.....	43.9	53.6

Quantities of specified foods consumed in a week for member of participating families, before and after initiation of Federal food stamp program, Detroit, Mich., 1961¹

Food	Under com- modity pro- gram, April- May	Under food stamp pro- gram, Sep- tember-Octo- ber	Difference
	Pounds	Pounds	Percent
Meat.....	2,753	3,782	37.4
Poultry.....	1,014	1,348	32.9
Fish.....	364	471	29.4
Milk, cream, ice cream, and cheese ²	7,372	7,438	.9
Shell eggs.....	470	550	17.0
Fats and oils.....	863	1,027	19.0
Flour and other cereal products including bakery items.....	4,083	5,336	30.7
Sugars, sweets.....	1,143	1,230	7.6
Fresh vegetables.....	1,806	4,062	124.9
Potatoes, sweetpotatoes.....	1,875	1,973	5.2
Fresh fruits.....	1,564	2,618	67.4
Commercially frozen fruits and vegetables.....	.049	.096	95.9
Commercially canned fruits and vegetables.....	.824	1,085	31.7
Fruit and vegetable juices, fresh, frozen, canned, powdered.....	.307	.539	75.6
Dried fruits and vegetables.....	.354	.337	-4.8

¹ Before adjustment for seasonal changes in price and foods consumed. Includes home-produced, gift, and federally donated as well as purchased foods.

² Fluid milk equivalent.

Impact of program on consumption of major foods, Detroit, Mich.

Approximately 80 percent of the increased food-purchasing power provided under the stamp program was directed toward increased consumption of animal products and fruits and vegetables. Other foods, as indicated in the following table, such as fats and oils and sugar, experienced smaller increases.

THE IMPACT OF THE FOOD STAMP PROGRAM ON FARM INCOME

This statement presents the preliminary results of a special analysis being made of the impact upon farm income of the direct donation and food stamp programs in Detroit.

During April-May 1961, Department of Agriculture research people undertook a detailed study of household food consumption among a representative sample of Detroit households which were participating in the direct donation program. This same sample of households was resurveyed in September-October 1961 to determine what changes had taken place in their food consumption as a result of the inauguration of the pilot food stamp program. Not all of the households which formerly received donated foods had elected to participate in the stamp program. However, such households were included in the second survey, so that the data are representative of the total changes in the food consumption which took place when the stamp program replaced the direct donation program in Detroit.

During April-May 1961, the Federal cost of the foods donated to Detroit households averaged \$692,000 a month. During September-October 1961, the Federal cost of the free additional coupons issued to Detroit households under the stamp program averaged \$616,500 a month. Therefore, although Federal costs under the stamp program were somewhat less than under direct donation, differences in the impact of the two programs is an indicator of their relative effectiveness in increasing retail food expenditures and farm income.

The preliminary results of this analysis indicates that the stamp program is more effective. The retail and farm value of foods consumed by the Detroit households included in the survey was higher

under the stamp program, even though some of the households which received donated foods did not participate in the stamp program. This is a reflection of the fact that, under the stamp program, greater assurance can be provided that the Federal assistance is used to supplement, rather than partially replace, the normal food expenditures of the participating households.

Secondly, there was some net shift to foods which return a higher proportion of the retail food dollar to farmers. With respect to cereal products alone, there was a shift away from flour—which was available under the donation program—to more highly processed commercial bakery products. However, that shift was more than offset by increases in the use of such items as meat, poultry, and fluid milk.

The attached table shows that, under the stamp program, the average retail value of food consumed by these Detroit households (including the former recipients of donated foods who did not participate in the stamp program), was 60 cents per person per week higher than when the donation program was in effect. The farm value of such consumption increased by 26 cents per person per week or approximately 15 percent, after the inauguration of the stamp program. These increases do not appear to be the result of outside factors—such as seasonal changes in food supplies or prices—because similar data obtained from a sample of Detroit households with slightly higher incomes showed that the retail and farm value of the food they were consuming was essentially the same in April–May and September–October.

The results of this single-city survey cannot necessarily be projected on a nationwide basis. Nonetheless, this analysis does tend to measure the relative economy of the two programs.

TABLE III.—*The retail and farm value of foods consumed by a sample of low-income families in Detroit, Mich., when they were participating in the direct donation program in April–May 1961 and in September–October 1961 after the food stamp program replaced direct donations; and the Federal cost of the 2 programs*

Program	Federal cost per month	Food consumption per person per week	
		Retail value	Farm value
Direct donations: April–May 1961.....	\$692,000	\$4.91	\$1.75
Food stamp: September–October 1961 ¹	616,500	5.51	2.01
Net change.....	–76,500	+0.60	+0.26

¹ Data for September–October covers the low-income households surveyed in April–May, including those which received donated foods in April–May but did not elect to participate in the food stamp program in September–October.

ANALYSIS OF THE BILL

SECTION 2. DECLARATION OF POLICY

This section is the statement of policy. Its central theme is the finding by Congress that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundance and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food.

SECTION 3. DEFINITIONS

This section contains the definitions of various terms used in the act.

Subsection (b) defines the term "food"—those commodities for which food stamps may be used. In the bill as referred to the committee, food stamps might be used for any food or food product for human consumption except alcoholic beverages, tobacco, and those foods which are identified on the package as being imported from foreign sources. The amendment to this subsection adopted by the committee would add to the list of those commodities for which food stamps could not be used: soft drinks, luxury foods, and luxury frozen foods as defined by the Secretary, and foods identified on the package received by the retailer as of foreign origin. It is anticipated that the list of luxury foods which could not be purchased with food stamps would not necessarily be a part of the regulations but would be identified in lists issued from time to time by the Secretary. Acceptance of food stamps for any excluded food items, whether designated in the regulations or in lists issued by the Secretary, as well as for nonfood items, would subject the grocer to sanctions outlined in the act.

Subsection (e) defines "household." Food stamps are available only to households but this may include a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

Subsection (f) makes it clear that the term "retail food store" includes not only grocery stores and markets but a food department of a general store or a house-to-house trade route selling food to households for home consumption.

Subsection (h): Requests for a food stamp program in any area must come from an appropriate State agency, including but not limited to the agency of the State government which has responsibility for the administration of federally aided public assistance programs.

SECTION 4. ESTABLISHMENT OF THE FOOD STAMP PROGRAM

This section contains the general authority and the directive to the Secretary of Agriculture to establish the food stamp program in any area where such a program is requested by the appropriate State agency and which qualifies under the provisions of the law and the regulations issued by the Secretary. The committee construes this authority to the Secretary to be mandatory. If the request for a food stamp program in any area is made by an appropriate State agency, if the State and the area meet the criteria established in section 10 of the act and in regulations properly issued by the Secretary pursuant to the act, the Secretary would be required to establish a food stamp program in such area if funds were available for such purpose. This does not affect the authority and responsibility of the Secretary to determine whether or not the proposed program in the area does meet the criteria established by the law and regulations.

Subsection (b) provides that there shall be no direct distribution of surplus foods to households in areas where the food stamp program is in effect except during emergency situations caused by a natural disaster. It is to be noted that this subsection does not prohibit the direct distribution of surplus foods to schools and eligible institutions in areas where the food stamp program is in operation.

SECTION 5. ELIGIBLE HOUSEHOLDS

Subsection (a) defines "eligible households" as "those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet." The food stamp program is not limited to households which are receiving public assistance. In fact, a substantial number of those who have qualified for food stamps in the pilot programs now being conducted throughout the country are not on public assistance. In some areas such households comprise as much as 60 percent of those qualifying for food stamps.

Subsection (b) makes it clear that the establishment of eligibility standards for participation in the program is the legitimate function and responsibility of the States, subject only to the approval of the Secretary.

SECTION 6. ISSUANCE AND USE OF COUPONS

Subsection (a) authorizes and directs the printing of food stamps in such denominations as may be determined to be necessary and their issuance to eligible households which have been duly certified by the State agency. The examination and certification of those eligible to participate in the program is the responsibility of the State agency.

Subsection (b) provides that food stamps may be used only by eligible households and only to purchase eligible food in retail food stores participating in the program. Criminal penalties are provided in section 14 for misuse of coupons. This subsection also makes it clear that participants shall be charged the regular price prevailing in the retail store when they purchase food with stamps. However, the Secretary has no authority under this act to specify or control wholesale or retail food prices.

SECTION 7. VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

Subsection (b) contains one of the basic provisions of this act. Participants must pay for the food stamps they receive amounts that are determined to be equivalent to their normal expenditures for those foods which can be purchased with food stamps. The whole theory of the food stamp program is that of expanding the ability of low-income households to purchase food. The stamps are not given free to any participants, except those with no income, but are purchased by the participants with the money they would ordinarily spend for food. In the pilot program, this is running about 60 percent of the value of the stamps. In other words, participants are paying on the average approximately \$6 of their own money for every \$10 worth of stamps.

SECTION 8. APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

This section outlines the procedures under which wholesale and retail food concerns may apply for authorization to accept and redeem food stamps. Subsection (c) provides that any such concern which has been refused authorization to participate in the program may appeal such a decision, first to the Secretary and then to a State or Federal court.

SECTION 9. REDEMPTION OF COUPONS

This section provides for the redemption of food stamps through the Federal Reserve System. The retail food merchant will deposit the food stamps in his local bank, where they will be credited to his account at face value, the same as checks or other commercial paper. Or the retailer may redeem the stamps through authorized wholesale food concerns. Coupons are redeemed from the Federal Reserve System by the Treasury Department using, in part, cash payments made by households participating in the program and deposited in the Treasury pursuant to section 7(d).

SECTION 10. ADMINISTRATION

Section 10(a) reflects the concern of the committee that the food stamps issued to participating households should be used to actually upgrade and improve the diet of the household. It requires that the Secretary shall make all practicable efforts to insure that participants use their increased food-purchasing power to obtain those staple foods.

Subsection (e) spells out another basic feature of the program authorized by this act—that the initiative for the establishment of a food stamp program in any area must come from the State in which the area is located, that the State is responsible for developing a plan of operation which meets the requirements of this act and of the regulations issued thereunder by the Secretary, and that the only responsibility or discretion of the Secretary under this subsection is to approve or disapprove the plan of operation submitted by the State.

Subsection (f) requires the Secretary to provide a reasonable time for corrective action if a State agency is not in substantial compliance with this act, the regulations issued thereunder, or its State plan of operation. At the end of such period, the Secretary may direct the withdrawal of the food stamp program from the State or the political subdivision which has failed to take the required corrective action.

SECTION 11. DISQUALIFICATION OF RETAIL FOOD STORES AND
WHOLESALE FOOD CONCERNS

This section provides for the disqualification, either permanent or temporary, of any wholesale or retail food concern from participation in the food stamp program. Such action may be taken by the Secretary only pursuant to the provisions for administrative action set out in section 13 and there is no authority for the Secretary to suspend or revoke participation in the program without due notice and an opportunity for hearing.

SECTION 12. DETERMINATION AND DISPOSITION OF CLAIMS

This section gives the Secretary final authority to determine the amount of and settle or adjust any claim which may be brought under the provisions of this act. The Secretary's determination is, of course, subject to administrative and judicial appeal pursuant to the provisions of section 13.

SECTION 13. ADMINISTRATIVE AND JUDICIAL REVIEW

This section provides for administrative and judicial review of the decision of the Secretary with respect to the denial of any application of a retail or wholesale food concern to participate in the program, the disqualification of such a participating concern, or the denial of all or any part of a claim of such a concern under the provisions of section 12.

The section provides, in brief, that notice of any such proposed action on the part of the Secretary must be delivered to the concern involved by certified mail or personal service; that the concern shall have a period of 10 days in which to submit information in support of its position; that if the decision following such administrative review is against the food concern it shall have a period of 15 days before any order takes effect, and a total period of 30 days, during which it may file an action in the U.S. district court or any State court of competent jurisdiction seeking to have the determination of the Secretary set aside.

SECTION 14. VIOLATIONS AND ENFORCEMENT

This section makes it a violation of Federal law to knowingly use, transfer, acquire, or possess coupons in any manner not authorized by this act or to present, or cause to be presented, such coupons for redemption knowing them to have been received, transferred, or used in any manner in violation of the provisions of the act.

Subsection (d) makes the coupons issued under this act "obligations of the United States" within the meaning of the criminal statutes relating to counterfeiting and forgery.

SECTION 15. COOPERATION WITH STATE AGENCIES

Subsection (a) provides that each State shall pay from available State or local funds the costs of carrying out the administrative responsibilities assigned to it under the provisions of this act, including certification of eligible households and the investigation and interviewing incident to such certification, the handling, storage, and protection of coupons after their delivery to receiving points within the States, the issuance of such coupons to eligible households, and the control and accounting for such coupons.

Subsection (b) provides that with respect to the certification of households which are not receiving any type of public assistance, part of the cost will be paid by the Federal Government. The basic reason for this provision is insure that all of the eligibility standards required for participation in the program are carefully observed in the certification of those participants not on public assistance programs. The committee understands that the participation of the Federal Government in these costs will be less than the usual 50-50 sharing of the costs of administering public assistance programs in the States under the Social Security Act.

SECTION 16. APPROPRIATIONS

Subsection (a), as amended by the committee, authorizes appropriations for the food stamp program not in excess of \$25 million for the 1964 fiscal year, \$75 million for the fiscal year 1965, \$100 million for the fiscal year 1966, and \$200 million for the fiscal year 1967.

The Department of Agriculture estimates that at its highest anticipated level of operation, the annual cost of the program would be approximately \$360 million.

Subsection (b), as amended by the committee, will require the participating States to pay to the Federal Government 50 percent of the value of the free food stamps issued to participants within the State.

Subsection (d) provides that funds expended for the food stamp program shall not be considered as money expended for the purposes of carrying out the agricultural price support program and that in the annual budget presentation of the President the request for appropriations for the food stamp program shall be included in that portion of the budget relating to functions of the Government concerned with welfare.

SEPARATE VIEWS

STATE MATCHING PROVISION WOULD DESTROY THE FOOD STAMP PROGRAM

Amendment to section 16(b) of H.R. 10222

This amendment would require States to finance 50 percent of the cost of free coupons issued to households.

This provision would make the program inoperative.

A survey conducted by HEW among State welfare directors in the eight original pilot food stamp States indicated a marked preference for the stamp method of providing additional food assistance. However, they felt that food was not necessarily the only, or the most important unmet need, of welfare families. They mentioned the need, for example, for higher shelter allowances and preventive medical services. These conclusions would indicate that in presenting budget requests to State legislatures, State welfare agencies would not support State appropriations for a food program if they felt such action would jeopardize needed increases in State welfare expenditures for total family needs.

State legislatures would not be willing to appropriate funds for a food program to help needy people when they are now unable to appropriate sufficient funds for adequate welfare programs for these same people which cover many needs in addition to food.

Also, it is impractical to assume that many States and local communities could finance 50 percent of the free coupons. The States and communities most in need of the stamp program are those with such serious economic problems that they cannot now finance minimum welfare as well as minimum public services, such as schools and highway construction.

In this situation, States and counties would, therefore, prefer to continue to obtain food assistance under our donated foods program because no matching of Federal expenditures is required.

Finally, this matching provision would endanger the integrity of the stamp program as a food and agriculture program. The program has been carefully designed to insure that the Federal contribution actually results in the increased purchase of food. This has been accomplished by requiring participating households to pay a portion of the cost of the coupons issued to them based on their normal expenditures for food. As a result, the household has more money for food in the form of bonus coupons, but its situation with respect to other needs remains the same. If State or local matching funds were required, the States and counties would be under pressure to "liberalize" the program by reducing the cash investment required of participating households. This would inevitably lead to a compromise between the objective of increasing food purchasing power and the general welfare objectives of the State agencies.

HAROLD D. COOLEY.

MINORITY VIEWS

I. STATEMENT

We oppose the enactment of H.R. 10222 because the establishment of a nationwide food stamp plan is not needed; it would be extremely expensive and inefficient; it would destroy the rights and usurp the responsibilities of local and State governments; it would aggravate the problems of commodities now held in surplus stocks by the Government; it would add hundreds of new employees in the Department of Agriculture; it would give the Secretary of Agriculture new broad and sweeping powers; it would be adverse to the needy people it is designed to help; and it would be of little benefit to U.S. farmers.

We contend that the nationwide food stamp program envisioned by this bill is not needed because the rejection of H.R. 10222 will not alter the Secretary's authority to continue the 43 pilot programs now in existence. The Department has relied and is relying on section 32 of the act of August 24, 1935,¹ which is permanent legislation not dependent upon the enactment of this bill.

At a time when one out of every six Americans is already receiving Government food assistance, we do not believe a broader and more expensive program should be initiated.

No one, of course, is for poverty. The causes of poverty should be attacked in such a way as not to perpetuate or expand it to others.

H.R. 10222 as reported by the committee authorized total expenditures of \$400 million during the current and next 3 fiscal years. The Department of Agriculture seeks to reach an annual expenditure level of \$370.8 million by fiscal year 1968. The realistic potential for escalating the costs of this program are enormous. The 43 pilot food stamp projects now in existence, for example, cost the Federal Treasury \$51.5 million annually * * * or over a million dollars per project. What then will be the cost of this program in future years when it grows and expands to cover every county and city in America?

In 1957 the Department of Agriculture projected the minimum annual costs of a nationwide food stamp program to be \$600 million with the maximum at \$2.5 billion yearly.

We contend that our country cannot afford these expenditures in a period of chronic deficits. In this regard, we draw special attention to the remarks of the chairman of the Committee on Ways and Means, the Honorable Wilbur Mills, who said upon enactment of the 1964 tax bill:

In enacting this revenue bill, as I emphasized last September, we are choosing tax reduction as the road toward a larger, or prosperous economy and we are rejecting the road of expenditure increases. We do not intend to try to go along both roads at the same time. If we fail to limit the growth of Federal expenditures, we will be leaving the

¹ 7 U.S.C. 612c.

tax reduction road. Even a 1-year detour may make it extremely difficult to get back on it.

A major and impressive beginning has been made on bringing the expenditures of the Federal Government under the tight control needed to justify this tax reduction and those we should look forward to in the future. All of us will have to cooperate in extending these economies, in making them the fiscal habit of this Nation. We must not fail to do so if we are to keep the tax reduction avenue open.

We support the committee amendment to require the several States to share in the cost of the food stamps. It is, we feel, a fundamental principle of our Federal-State welfare programs that the primary responsibility for welfare should rest with those units of government closest to the people. When and if the Federal Government helps meet local welfare needs, the State and local governments should bear at least half of the burden.

We are apprehensive, however, over the prospect of this important amendment being retained in the bill as it travels its legislative course. In the absence of such an amendment, States and local communities would be less able to meet the needs of their needy without being completely dependent on the Federal Government.

The proposed program is not aimed at surplus removal. Since the overwhelming bulk of our farm surplus consists of wheat, cotton, feed grains, and dairy products, H.R. 10222 would have but minimal effect on the surplus agricultural problem.

In areas where the pilot food stamp program is in operation outlets for some surplus commodities have been severely restricted.

The sharp drop in butter consumption, for example, has resulted in the following statement by the National Milk Producers Federation:

FOOD STAMP EXPANSION SEEN THREAT TO BUTTER

Proposed expansion of the present pilot food stamp plan on a nationwide basis could deal a severe blow to the domestic disposal of surplus dairy products, it was warned this month by E. M. Norton, secretary of the National Milk Producers Federation.

"The threat," he said, "is in the proposal of a House Agriculture Subcommittee to eliminate the direct food distribution program in counties where the stamp plan is operative. Butter has been a staple in direct food distribution. But in test areas where direct distribution has been replaced by the stamp plan, butter has been almost entirely replaced by substitutes in the eligible households." ²

The use of food stamps for tobacco products is specifically prohibited by H.R. 10222. Cotton products are not eligible. "Luxury" foods made from wheat or meat could also be banned by the Secretary. It is obvious that surplus removal is but a small part of the food stamp picture.

While our U.S. surplus problem is not being met by this legislation, the bill allows foreign-produced foods to move under the program. Expenditures for imported beef, bananas, coffee, and tea, for example, are going to have very little beneficial effects on U.S. farmers.

² National Milk Producers Federation Newsletter, Aug. 30, 1963.

The number of employees in the Department of Agriculture would expand dramatically if this legislation is approved by Congress. The Department itself admits an increase from 155 average annual positions at present to 985 such positions in fiscal year 1968. (See table 1.) We think this is an extremely modest projection and anticipate that a much greater increase in employment would be necessary to supervise and enforce a nationwide program.

The Secretary of Agriculture would be given great power over State governments. The last-minute changes made in H.R. 10222 to alter the wording of this bill do not conceal these broad and discretionary new powers.³

With the adoption of this legislation, we predict that State governments will be much less inclined to increase benefits to the needy people in their States. Section 10(d) of the bill allows the Secretary to remove the program from any State which reduces its welfare contributions. Why, we ask, should States now increase these benefits if the Federal Government is going to undertake to meet a major portion of the food needs of its welfare recipients? As is also pointed out in part V of this report, the experience of the Welfare Department of the State of Washington is indicative of some of the adverse effects of the pilot program on needy people in that State and throughout the Nation.

The adoption of this bill would also place in the Department of Agriculture a complete welfare activity. The Department of Agriculture and the American farmer should not be charged with such an activity which more properly should be within the province of the Department of Health, Education, and Welfare.

It should be noted also that H.R. 10222 has deleted a number of the antidiscrimination provisions which were included in the original recommendation submitted by the late President Kennedy. Prior to the passage of the civil rights bill, an amendment to restore these provisions was pending in the committee. However, title VI of the House-passed bill contains the following provisions.:

AN ANALYSIS OF THE CIVIL RIGHTS BILL (H.R. 7152),
PASSED BY THE U.S. HOUSE OF REPRESENTATIVES ON
FEBRUARY 10, 1964, PREPARED BY THE DIRECTION AND
UNDER THE SUPERVISION OF WILLIAM M. McCULLOCH,
REPRESENTATIVE TO CONGRESS, FOURTH DISTRICT OF
OHIO

* * * * *

TITLE VI—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

1. Federal departments and agencies, empowered to extend financial assistance under authority of any program or activity by way of grant, loan, or contract (*other than a contract of insurance or guaranty*) shall terminate, refuse to grant, or refuse to continue financial assistance to a recipient of such assistance (or take other action as authorized by law) if such recipient, on the grounds of race, color, or national origin, excludes from participation in, denies the benefits of,

³ For example, sec. 8(b) of H.R. 10015 stated that "the Secretary shall in regulations issued require * * * ." Sec. 8(b) of H.R. 10222 provides that "Regulations issued pursuant to this Act shall require * * *."

or subjects to discrimination any individual under any such program or activity of financial assistance.

(The House amended the title to make certain that Federal programs of insurance or guaranty are not to be covered.)

2. Federal departments and agencies administering such financial assistance programs or activities are granted rule-making authority to carry out their duties under this title, but such rules must be approved by the President, and action taken pursuant to the rules must be consistent with the achievements of the objectives of the statutes authorizing such financial assistance programs and activities.

(The House inserted the requirement that the President must approve the rules adopted by the departments and agencies pursuant to their authority under this title.)

3. Federal departments and agencies may discontinue or refuse to grant assistance or take other action authorized by law, only after conducting a hearing.

(The House inserted the hearing requirement into the title.)

4. Federal departments and agencies shall not discontinue or refuse to grant assistance or take other action authorized by law, *until it is determined that compliance cannot be secured by voluntary means*. Moreover, there must be filed with the appropriate legislative committees of the House and Senate a written report of the circumstances and the grounds for discontinuing or withholding financial assistance and no such action may be taken for 30 days after the filing of such report.

(The House inserted the requirement concerning the filing of reports with the Congress.)

5. A person aggrieved (including a State or local governmental authority) is authorized to obtain judicial review of the action taken by the Federal department or agency either according to judicial review authority contained in the statute authorizing financial assistance or pursuant to authority contained in the Administrative Procedure Act.

We are confident, therefore, that if H.R. 10222 should become law, the provisions of title VI would be enforced under the food stamp program.

Finally, the House should note that this proposal was tabled by the Committee on Agriculture on February 4, 1964, by a vote of 19-14. It is now before the House by a 18-16 vote of the committee simply because of intense pressure by the administration.

The balance of this report is devoted to a discussion of Government expenditures and personnel increases under a nationwide food stamp program, a history and background of food stamp programs, how the pilot food stamp plan works, the results of the pilot food stamp program in the State of Washington, and a résumé of the present food distribution programs administered by the U.S. Department of Agriculture.

II. EXPENDITURES AND PERSONNEL INCREASES UNDER A NATION-WIDE FOOD STAMP PLAN

There are over 3,000 counties in the United States. The cost of the present 43 pilot programs (some of which cover more than one

county) is \$51.5 million in the current fiscal year.⁴ If the program were nationwide, it is possible that the cost might reach \$3 billion per year.

The Department of Agriculture now contends that the proposed program would reach a \$370.8 million annual level in fiscal year 1968 and that it would be confined only to areas of greatest need.

During the consideration of H.R. 10222 and its various earlier versions, the Department submitted the following table to the committee. Please note that total obligations would reach \$370.8 million in fiscal year 1968 and that the average number of employees needed to administer a program at that level would increase to 985 with personnel compensation alone costing \$7,560,000 per year.

Since 155 Federal employees are required at present to administer 43 pilot operations, this means an average of approximately 3.6 Federal employees per project. If a nationwide program were instituted covering 50 States and thousands of counties, it is obvious that this ratio would produce thousands, not hundreds, of new Federal employees to supervise its operation. It must be kept in mind also that under section 4(b) of H.R. 10222 the direct distribution program would continue in effect for needy persons in institutions and in food stamp areas where the Secretary determines there are emergency situations caused by natural disasters.

TABLE 1.—*Estimated maximum average annual positions of civilian employment and fund requirement*

	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968
A. Average annual positions of civilian employment:					
1. Administrative support-----	19.7	48.7	71.3	88.3	97.1
2. Executive direction ¹ -----	.1	.5	.5	.5	.5
3. Program functions-----	135.2	405.8	663.2	836.2	887.4
4. Total, average annual positions ² -----	³ 155.0	455.0	⁴ 735.0	⁴ 925.0	⁴ 985.0
B. Obligations: ²					
1. Personnel compensation-----	\$1,050,000	⁴ \$3,500,000	⁴ \$5,670,000	⁴ \$7,140,000	\$7,560,000
2. All other items-----	50,450,000	126,500,000	227,430,000	303,060,000	363,240,000
3. Total obligations-----	³ 51,500,000	130,000,000	223,100,000	310,200,000	370,800,000

¹ Reflects portion of the time of those now performing this function that would be applied to this program.

² Number of positions and obligations refer to the annual rates estimated at the end of each fiscal year.

³ Reflects estimated cost for the pilot areas expected to be in operation by July 1, 1963, for which the 1964 budget proposes financing from sec. 32 funds until a direct appropriation is available.

⁴ Would be offset in part through some reduction in direct distribution program.

Yet, isn't a needy person in a prosperous area just as needy as one in a depressed area?

The same Department of Agriculture projected the costs of a nationwide program in 1957 in response to the requirements set forth in Public Law 540, 84th Congress.

The following material is part V of "An Analysis of Food Stamp Plans" submitted to Congress January 3, 1957, by the Department of Agriculture (please note that the Department projected an annual expenditure of \$600 million to \$2.5 billion for a nationwide food stamp program):

⁴ See table 1.

AN ANALYSIS OF FOOD STAMP PLANS

V. ESTIMATES OF PROGRAM PARTICIPATION AND COSTS

Potential participation

It is basic to the success of a food stamp plan that participation be limited to those for whom income is a major limitation on the amount of money that can be spent for food. However, there is no exact measure by which to identify such persons and families.

Estimates of potential participation in a stamp plan therefore, must necessarily be made within some defined program scope. The more restrictive are the limitations placed upon income levels for participation, the greater would be the potential increase in food markets per dollar of Federal expenditures; but, too restrictive criteria could limit participation to the point where the total additional food purchasing power provided would be too small to have any significant effect on overall domestic food demand. On the other hand, as the income levels for participation go up, a larger proportion of the Federal supplement is likely to go to expenditures for higher food quality and more marketing services.

Estimates have been made of potential participation under a program of limited, medium, and maximum scope. It must be emphasized that, in a program of this type, experience demonstrates that actual participation will always be well below any estimate of the number of potentially eligible people. Moreover, considering the high levels of national income and employment, there are some very practical problems to be overcome in reaching the number of people that could be included in a program.

The operation of a stamp program would require an extensive staff on the part of the State agency responsible for the administration of the program. Rather detailed investigations of the financial resources of nonrelief applicants would be necessary and participating families would be subject to periodic recertification. In addition, issuing offices would need to be maintained, at which participating families could regularly purchase their allotment of stamps. In many areas of the country, the general economic conditions would not appear to justify the cost of reaching the relatively small number in the potentially eligible group. As has been true under the family food donation program—which requires a lesser cost on the part of State agencies—it is anticipated that stamp plan operations might largely be confined to areas of economic distress.

Limited scope program.—It appears that the minimum scope for any food stamp plan would be one that confined participation to those persons whose economic position justifies some type of welfare or relief assistance.

According to information maintained by the Department of Health, Education, and Welfare, about 5 million people are receiving welfare assistance under the Social Security Act. An additional 800,000 persons are receiving some type of State or local relief assistance, but complete reports are

not available on assistance programs in which the Federal Government does not participate.

Therefore, under a minimum program, it would be reasonable to expect a potential participation of about 6 million persons.

*Medium-scope program.*¹—The probable participation in a medium-scope program has been estimated by establishing the maximum permissible annual money income of participants as \$2,500 for a family and \$1,000 for single individuals. It is assumed that at these income levels, considerable economies generally are necessary in the amounts of money spent for food.

Based upon 1955 money income distributions, it is estimated that potential participation would be in the neighborhood of 16 million persons in a program of medium scope.

*Maximum-scope program.*¹—Potential participation in a program of maximum scope has been estimated by assuming that there is an effective limitation on food expenditures when 40 percent of income is not sufficient to purchase a basic food allotment. The basic food allotment is a low-cost adequate diet food plan developed by the Department of Agriculture.²

At September 1956 retail prices, the basic allotment would have cost about \$5.50 per person per week, based on a 4-person family. Based upon the distribution of money incomes in 1955, it is estimated that potential participation in a maximum-scope program could total up to 25 million persons. (See table 2 for a more detailed description of the method used in arriving at this estimate.)

TABLE 2.—*Estimate of number of nonfarm families and unrelated individuals potentially eligible to participate in a Federal food stamp program of maximum scope*

Group	Total number of families in group	Income exclusion points for participation		Percent of family group eligible	Estimated number eligible	
		Based on estimated cost ¹	Used to estimate number eligible		Families	Persons
	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Thousands</i>	<i>Dollars 965</i>	<i>Dollars Under 800</i>	<i>Percent</i>	<i>Thousands</i>	<i>Thousands 3,122</i>
Unrelated individuals.....						
Families of:						
2 persons.....	12,269	1,836	Under 1,500..	17.0	2,086	4,172
3 persons.....	8,738	2,470	Under 2,000..	10.7	935	2,805
4 persons.....	7,985	2,860	Under 2,500..	9.0	719	2,876
5 persons.....	4,512	3,575	Under 3,000..	16.4	740	3,700
6 persons.....	2,084	4,290	Under 3,500..	22.2	463	2,778
7 or more persons.....	1,869	4,755	Under 4,000..	41.3	772	5,404
Total:						
Families.....	37,457				5,715	21,725
Families and individuals.....						24,857

¹ Estimated minimum money income needed by urban families and unrelated individuals to obtain a low-cost adequate diet (the food allotment) with 40 percent of their income. The estimate takes into account economy of family size in food preparation at home. Cost of diet based on September 1956 prices.

¹ Estimates for potential participation under a program of medium and maximum scope have been developed on the basis of nonfarm household income distributions.

² This criterion of eligibility has been used in proposed legislation authorizing the operation of a food stamp plan, known as the national food allotment plan.

Estimated costs to the Federal Government

Costs to the Federal Government would depend upon the scope of the plan—based upon the eligibility criteria established and the extent to which the food purchasing power of participants were to be increased.

As shown in table 2, nonfarm families with an annual money income between \$2,000 and \$3,000 spent about \$2 more per person per week for food than did nonfarm families having incomes under \$2,000 a year. It is reasonable, therefore, to try to supplement the food purchasing power of participants by approximately \$100 per person per year.

On this basis, the cost to the Federal Government, exclusive of administrative costs, could range from an annual expenditure of \$600 million for a program of minimum scope to an annual expenditure of \$2.5 billion for a program of maximum scope. With annual retail food store sales in the neighborhood of \$50 billion, the additional food purchasing power provided under a food stamp program—considering possible levels of substitution and diversion to nonfood uses—could range from two-thirds of 1 percent for a limited program to a little more than 3 percent for a program of maximum scope.

TABLE 3.—*Estimated changes in food consumption of nonfarm families with incomes of less than \$2,000, in 1955, if their consumption patterns were those of families with incomes between \$2,000 and \$3,000*¹

Food group	Average consumption per household of 3.5 persons, with incomes under \$2,000	Average consumption per household of 3.5 persons, with incomes of \$2,000–\$3,000	Percent increase
Fresh fruits.....pounds..	6.82	8.53	25
Fresh vegetables.....do....	7.42	8.67	17
Canned and frozen fruits and vegetables and juices.....pounds..	4.79	7.17	50
Dried fruits and vegetables.....do....	1.08	.88	–19
Potatoes.....do....	5.79	6.32	9
Meat, poultry, fish.....do....	10.68	13.60	27
Milk (including nutritional equivalent of cheese, ice cream).....quarts..	11.62	13.71	18
Eggs.....dozen.....	1.80	2.00	11
Bakery products.....pounds..	4.90	6.25	28
Flour, meal, pastes, cereals.....do....	9.41	7.15	–24
Fats and oils (including butter).....do....	2.99	3.05	2
Sugar, sweets.....do....	4.22	4.24	0
Total food (including nonpurchased).....dollars..	18.71	25.12	34
Total food expenditures.....do....	16.22	23.34	44

¹ Data calculated from report No. 1 of 1955 household food consumption survey. In this survey approximately 13 percent of the nonfarm housekeeping families had money income less than \$2,000 (after tax) for the year 1954.

III. HISTORY AND BACKGROUND OF THE FOOD STAMP PLAN

A. THE FIRST FOOD STAMP PROGRAM (1939–1943)

The following material is part III of "An Analysis of Food stamp Plans" submitted to Congress on January 3, 1957, by the Department of Agriculture:

AN ANALYSIS OF FOOD STAMP PLANS

III. THE FOOD STAMP PLAN OPERATED BETWEEN 1939-43

This review of the food stamp plan, operated by the Department of Agriculture between 1939-43, is included in this report to outline areas where administrative problems would be faced in the operation of a similar program in the future.

Scope of the plan

The food stamp plan began as an experiment in May 1939, in Rochester, N.Y.; it was then extended to five additional experimental areas. The administrative and operating techniques developed in these experimental areas formed the groundwork for the further expansion of the program.

As measured by the number of participants, the plan reached its peak in May 1941, when approximately 4 million people participated. New geographic areas were brought into the plan after 1941, but it never operated on a nationwide basis. The peak in area participation was reached in August 1942, when 1,741 counties and 88 cities were included. The plan was discontinued in early 1943 when wartime conditions had greatly reduced unemployment and greatly increased demands upon U.S. food supplies.

Basic operating principles

The plan was designed to insure that the Federal contribution represented a net increase in food expenditures among participating families through the use of a two-color stamp system. Participating families were required to exchange an amount of money representing estimated normal food expenditures for orange stamps of the same monetary value. With these orange stamps, participants were provided—without cost—additional blue stamps which could be used to buy designated surplus foods. In this manner, the plan attempted to concentrate the additional food purchasing power on surplus foods; i.e., foods that were experiencing marketing difficulties.

Determining normal food expenditures

To accomplish the basic objectives of the food stamp plan, participants were required to buy orange stamps in amounts about equal to their normal food expenditures. At the inception of the program, it was assumed that the normal range of food purchases of relief families was \$4 to \$6 per person per month. With each dollar of orange stamps purchased, the recipient received half again as much in free blue stamps.

Operating experience, together with the results of food purchase studies, demonstrated that the uniform minimum requirement of orange stamp purchases of \$4 per month per person was not workable. It was determined that greater effectiveness would be obtained if the orange stamp purchase requirements were based upon total cash income available and the number of individuals eating at the family

table. Although basic nationwide tables were prepared on this income basis of issuance, it was realized that variations existed between areas and that allowances had to be made. Regional directors were given the responsibility for determining the actual minimum and maximum orange stamp purchase requirements for each program area, provided that the requirements came within the national limits established.

Certification of participants

In general, the persons eligible for participation in the food stamp plan were householders who prepared and ate their meals in the home, and who were eligible for public assistance in the area in which they lived. Usually participation was limited to those persons receiving general assistance, old-age assistance, aid to the blind, aid to dependent children, State unemployment relief, and those receiving assistance from WPA in the form of employment.

As the plan move to an income basis of issuance, the problems of certification increased. It was necessary not only to verify the relief status of the applicant family but to also verify its money income and family size. The plan required regular reinvestigations to determine the continued eligibility of all persons certified. It was here that the certifying agencies met with tremendous difficulties. With the mounting number of participants in the program, the number of caseworkers available in the certifying agencies was insufficient to make reinvestigations within a reasonable time. In some areas, a caseworker had from 500 to 1,000 families on his list.

Designation of blue stamp (surplus) foods

Foods were designated as blue stamp (surplus) food each month by the Secretary of Agriculture. Participating retailers were required to post a notice of these monthly designations in their stores. One of the advantages of this requirement was to bring these foods to the attention of all customers and, thus, encourage increased purchases of the surplus foods among the nonparticipating (higher income) families.

During the operation of the plan, more than 30 food commodities were placed on the blue stamp list. Included in the listing were butter, shell eggs, cereal products, potatoes, dry beans, fresh vegetables, fresh and dried fruits, pork meat products, and lard and shortening.

In many months, the blue stamp list included too large a number of surplus commodities, considering the total amount of additional food purchasing power provided under the plan. As a result, the additional purchasing power appeared to be too thinly spread to have significant impact on the demand situation for any particular surplus food.

Stamp redemption

The Department of Agriculture supplied food stamp cards to participating retailers on which stamps were to be pasted prior to their presentation for redemption. These cards carried space for \$10 worth of stamps.

There were three methods by which the stamps could be redeemed: The retailer could file a claim directly with the Department of Agriculture, he could submit them to this wholesaler to the credit of his account, or he could redeem them at his local bank. Wholesalers throughout the country cooperated in the plan by accepting stamp cards from retailers in payment of accounts. Banks performed the redemption services for retailers and wholesalers without charge. However, as the plan developed there was some dissatisfaction expressed because of the volume of work required and banks increasingly expressed the opinion that they were entitled to payment for the work performed.

Problems of noncompliance

Two of the most frequent noncompliance problems were (1) the sale of nonsurplus foods for blue stamps or the sale of nonfood items for stamps and (2) cash purchase by grocers of blue stamps from participating families.

Originally, major reliance for compliance with program regulations was placed upon the policy of self-policing, together with an educational program for participating retailers. This soon had to be supplemented with a more specific compliance and investigation program. In an effort to reduce the number of violations, each participating retailer was required to sign a special form, acknowledging his understanding of program regulations and his responsibility for any violations committed by his employees. This form was valid for a definite period of time—usually 6 months—and had to be renewed in person. Later on, a compliance bond was required of retailers.

Administrative sanctions were used to penalize retailers who sold nonfood items for stamps or nonsurplus food for blue stamps. When violations involved illegal trafficking in stamps or exchange of stamps for cash, legal sanctions could be imposed. Sections 286, 287, and 1001 of title 18, United States Code, provide for fines and imprisonment for presenting false claims or conspiring to defraud the U.S. Government. Further, section 231 of title 31 of the code provides heavy civil liability for false claims.

Another problem encountered was that of insuring continuity of participation among families entering the plan. If, for example the families purchased stamps only every other week, it provided a means of carrying over the blue stamps to supplement below-normal food expenditures during the weeks of nonparticipation. Thus, little, if any, increase in the food expenditures of such participants was achieved. Difficulties with intermittent participation were marked during the early days of the plan but decreased considerably as additional experience was gained by both participants and program administrators.

Program administration

The plan was first administered by the Federal Surplus Commodities Corporation, and later by the Surplus Marketing Administration, Agricultural Marketing Administration,

and the Food Distribution Administration of the Department. The United States was divided into four regions, each with a regional director who was given considerable discretionary powers to carry out program policy and procedures.

A city or a county (or a combination of both) constituted an area in the administration of the plan. In the selection of areas for participation, a duly constituted authority from the area (such as the Governor of the State, the mayor of a city, or the county board of supervisors) petitioned the Secretary of Agriculture for designation. Medium-sized communities were first designated and, as the techniques of operation were improved, the plan was set up in large metropolitan areas. Rural areas presented special problems in administration—income certification was difficult because of the importance of nonmoney income and home-produced food; the grocery stores were scattered; the number of participants small; and the central stamp issuing offices few.

The wholehearted cooperation of welfare and other public officials, food retailers, and banks in the designated areas was essential to the success of the plan. It was necessary that the local governing body maintain a revolving fund to reimburse the Government for the orange stamps received by its issuing offices, to be responsible for the proper issuance of the free blue stamps, and to provide the personnel, space, and fixtures necessary for the issuance of food stamps to certified eligibles. The area, however, was reimbursed for the orange stamps from the proceeds of sales to stamp recipients. To provide assurance that such responsibilities would be executed, agreements were negotiated between the Department of Agriculture and the governing body of the area.

Effect on participants' food expenditures

During the 46 months the plan was in operation, the additional food purchasing power provided to participants by the Federal Government totaled \$260 million. It has been estimated that this supplemental purchasing power amounted to an average of 4 percent of total food sales in some of the cities where the plan operated. However, had the plan been available to all families receiving general welfare or Work Projects Administration assistance during 1939–43, it has been estimated that the cost of the Federal contribution would have been about \$400 million a year. An additional \$200 to \$240 million would have been required annually to extend the plan to all urban families with incomes of less than \$1,000 a year.

There is no doubt but what the plan did increase food consumption levels among participating groups. However, it proved to be more effective in increasing participants' expenditures on some surplus foods than on others. In general, it had its greatest effect upon those foods most responsive to income changes; i.e., animal products and most fruits and vegetables.

While the two-color stamp system was employed to help insure that the additional food money provided was spent on

surplus foods, that system could not guarantee increased purchases of each food on the list. A participant who did not wish to purchase larger quantities of a particular surplus food could do so by buying his usual quantities with blue stamps and using none of his orange stamps for such purposes. With the relatively large number of items on the blue stamp list, participants had considerable freedom of choice in determining the surplus foods for which their blue stamps would be used. For this reason, there is serious doubt as to whether the two-color stamp system (which introduced many complexities into the operation of the plan), had a significant effect upon the kinds of additional food purchased by the recipients.

B. THE FOOD STAMP PLAN FROM 1943 TO 1961

From the time the first food stamp program was dropped in 1943 until 1961, the Department of Agriculture under the leadership of Secretaries Wickard, Anderson, Brannan, and Benson did not reinstate it. The basic authority in "section 32" used in 1939-43 remained in effect but it was not used.

In the mid-1950's some congressional support to reactivate the food stamp program developed. In the 85th Congress, H.R. 13067, a bill to establish a nationwide food stamp program was defeated in the House of Representatives.

In the 86th Congress, legislation which authorized a nationwide food stamp plan was enacted.⁵

That provision of law, which was adopted as an amendment to Public Law 480 in 1959, contained these salient features:

1. It applied for a 2-year period running from February 1, 1960, to January 31, 1962;
2. It was discretionary with the Secretary as to whether a program would be initiated or not;
3. It authorized an annual appropriation of \$250 million, including the cost of the surplus foods donated;
4. It was limited to only surplus foods acquired by CCC under the price-support program or under "section 32";
5. The program would be available to local governments only if requested by them; and
6. The Secretary was directed to report to Congress with 6 months of the enactment on the possible expansion of the program.

Secretary Benson did not exercise his discretionary authority to use this program. Neither did Secretary Freeman, who relied instead on the broad language of "section 32" for the pilot programs.

On February 1, 1962, this authority expired and it is no longer in effect. The administration did not seek its extension or amendment.

C. THE PILOT FOOD STAMP PROGRAM

On May 25, 1961, the first pilot food stamp project was inaugurated in McDowell County, W. Va. Approximately 1 month later seven other pilot projects were opened in Franklin County, Ill.; Floyd County, Ky.; Detroit, Mich.; the Virginia-Hibbing-Nashwauk com-

⁵ The act of Sept. 21, 1959, 73 Stat. 608, 7 U.S.C. 1695.

plex in northern Minnesota; Silver Bow County, Mont.; San Miguel County, N. Mex.; and Fayette County, Pa.

Since 1961 the pilot program has expanded to its present level of 43 projects in 22 States.

The statutory authority and source of funds for the pilot programs was (and is) clause (2) of "section 32" which provides:

SECTION 32 OF PUBLIC LAW 320, 74TH CONGRESS

SEC. 32. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to * * * (1) * * *; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations, *or by other means*, among persons in low-income groups as determined by the Secretary of Agriculture; and (3) * * *. [Emphasis added.]

This is the same statutory authority used in 1939-43. The specific food stamp statute which expired in 1962 was never used.

As can readily be seen, the present program rests entirely on the four words "or by other means" and the regulations issued by the Department of Agriculture thereunder.

D. H.R. 10222 AND FOOD STAMP LEGISLATION IN THE 88TH CONGRESS

On April 22, 1963, the administration bill, H.R. 5733, was introduced in the House of Representatives. On June 10, 11, and 12, 1963, the Committee on Agriculture held 3 days of hearings.

A Special Subcommittee on Food Stamps then considered H.R. 5733 and three committee prints.

A clean bill, H.R. 8107, was introduced on August 15, 1963. This bill was considered by the full Committee on Agriculture on February 4, 1964, and it was tabled by a rollcall vote of 19 to 14.

On February 18, 1964, another bill, slightly different from H.R. 8107, was introduced. Then on March 3 still another slightly different bill was introduced as H.R. 10222.

The next day, March 4, 1964, the Committee on Agriculture ordered H.R. 10222 reported to the House, with amendments, by a rollcall vote of 18 to 16 with 1 member of the committee not voting and 2 members reserving the right to oppose the bill on the floor of the House.

IV. HOW THE PILOT FOOD STAMP PLAN WORKS

In essence, this is how the pilot food stamp program works:

All qualified person, whether under State welfare or not, are eligible to participate in the program. The head of the household must make application to the local department of welfare office. To meet the

Federal standard, generally the household must meet three basic requirements to be eligible to receive food stamps. First, the applicant must be a local resident; second, gross income and liquid assets must be under certain levels established for each household size; and third, cooking facilities must be available to prepare the food in the home. Applicants are required to produce proof of their identity, residence, gross income, assets, and family size. Eligible families must re-establish their eligibility, or be "recertified" periodically to continue their eligibility to receive food stamps. Households are required to report to the local welfare office those changes which affect their status or eligibility for participation in the program.

After a household has been determined eligible, a caseworker then determines under a formula approved by the Secretary of Agriculture the amount of food stamps the household must purchase and the allotment of free stamps. This is generally \$10 worth of stamps in return for \$6 cash. This determination is based on the number of persons and gross income of the household. The value of free stamps issued is scaled to each household's needs and ability to purchase food.

Eligible applicant families are issued an authorization card which allows them to purchase the designated amount of food stamps and receive the designated amount of free or bonus stamps. The head of household then takes his authorization card together with his food stamp identification card to an appropriate issuing agency (in some counties banks are used) and purchase his food stamps. The stamps may then be used to purchase eligible food items in retail food stores approved for participation in the program. Retail grocers accumulating food stamps deposit them with local banks for cash and they are eventually redeemed for cash by the Department of Agriculture.

The following information leaflet was prepared by the U.S. Department of Agriculture and the Public Welfare Department of Pennsylvania for distribution in the pilot food stamp project in Fayette County, Pa., where the Special Subcommittee on Food Stamps visited last August:

[Informational Leaflet No. 9, Pennsylvania Department of Public Welfare and U.S. Department of Agriculture, December 1962]

FOOD STAMP PROGRAM—FACTS FOR FAMILIES WHO WANT FOOD COUPONS

Food coupons cannot be sold or given away.

Food coupons cannot be used for any purpose except to buy food.

Do not remove food coupons from the coupon book until you use the coupons to buy food.

REASONS FOR THE FOOD STAMP PROGRAM

The program makes possible for low-income families to buy better foods and more foods; to have more satisfying and better-balanced meals; to select the foods they want.

The program increases business for food outlets in the county, and in this way helps other business.

WHAT FOODS CAN FAMILIES BUY WITH THE COUPONS?

All foods for human use may be bought with food coupons except alcoholic beverages, tobacco, coffee, tea, cocoa (as such), bananas, and all imported foods where the package clearly indicates the food is imported.

You cannot use food coupons to buy pet foods, nonfood items such as soaps, household supplies and equipment, or any other nonedible items.

You cannot use food coupons to buy "lunch counter" or prepared foods for eating on the premises.

WHERE CAN FAMILIES BUY FOOD WITH COUPONS?

✓ In any retail grocery store, supermarket, dairy, or bakery in the county that participates in the program.

From any food home delivery service in the county that participates in the program.

HOW FAMILIES EAT BETTER BY GETTING FOOD COUPONS

You pay for some food coupons and, at the same time, you get extra ones free. This way you are able to buy more food.

You must buy and pay for the coupons regularly twice a month. If you miss buying more than once, you will have to apply again before you are allowed to buy any more.

You buy and pay for the same amount of coupons each time. And each time you get the same amount of free coupons.

The amount of coupons you buy and the amount you get free depend on the amount of your income and the size of your family.

EXAMPLES

A family of four with \$120 gross monthly income must buy \$27 worth of coupons twice a month to get \$16 worth of coupons free each time.

A family of six with \$185 gross monthly income must buy \$40 worth of coupons twice a month to get \$21 worth of coupons free each time.

A family of 10 with \$400 gross monthly income must buy \$69 worth of coupons twice a month to get \$20 worth of coupons free each time.

Families with very little income will get free coupons without paying for any.

DENOMINATIONS OF FOOD COUPONS

There are 50-cent coupons and \$2 coupons. They come in coupon books worth \$2, \$3, \$10, \$20.

Your eligibility for food coupons depends on monthly gross income, liquid assets, and number of persons in the household.

A household with income or liquid assets higher than the amounts listed below is not entitled to food coupons.

Number of persons in household	Gross monthly income limit	Liquid assets limit
1	\$110	\$330
2	170	510
3	205	615
4	245	735
5	280	840
6	315	945
7	350	1,050
8	390	1,170
9	425	1,275
10	460	1,380

NOTE.—For a household of more than 10 persons, add for each additional person \$30 gross monthly income, \$90 liquid assets.

Income means money you get again and again—like wages, pensions, unemployment compensation, social security benefits, disability payments, public assistance.

Liquid assets are cash you have on hand or in the bank, and U.S. savings bonds.

Household is any group of persons who live in the same unit, share food costs, and eat together.

To be entitled to food coupons you have to be living in a county having a stamp program, you have to have cooking facilities in your home.

You are not entitled to food coupons if you are eating all your meals in restaurants, if you are boarding, if you are in a nursing home.

APPLYING FOR FOOD COUPONS

Who applies

The head of the household is the one who should apply. If he is unable to, the wife or other adult member of the family may.

Where and how to apply

You apply in person at the office of the county board of assistance of the county in which you live.

To help us decide if you are eligible, we will ask you to tell us your name and address; whether you have cooking facilities; how many persons are in your household, and what income and other liquid assets each one has. We will also ask you to show us the kinds of papers listed below.

Papers to bring when you apply

Please bring with you when you apply:

1. Social security card, driver's license, or other personal identification.

2. Rent receipts or records of mortgage payments.

3. The following records to show the income and other liquid assets of each member of the household:

(a) State employment service registration card for unemployment compensation.

(b) Letter of award for social security.

(c) Names and address of people or companies each one works for. Latest pay stubs, too, if you have them, for wages.

(d) Letter of notice for workmen's compensation, veterans' benefits pension.

(e) Bankbook for savings account, checking account.

(f) The number of U.S. savings bonds (series E) which you have and the amount you paid for each bond.

If you are eligible

If you are eligible for food coupons, you will get identification card for Federal food coupons.

The head of the household or the person applying in his place must sign the identification card.

The identification card may not be sold or given to anyone.

You must carry your identification card with you each time you buy coupons and get free coupons, each time you buy food with coupons.

Food coupon authorization

If you are eligible for food coupons, you will get a food coupon authorization twice a month. It will show the cash you must pay, the total amount of food coupons you will get, and when you must buy the coupons.

Most banks in the county will sell coupons. You must show the food coupon authorization and the identification card each time you get coupons.

V. THE RESULTS OF THE PILOT FOOD STAMP PROGRAM IN THE STATE OF WASHINGTON

The following report was submitted to the Honorable Catherine May by the Department of Public Assistance of the State of Washington.

We draw particular attention to the observations of the State director and the comparison of the direct distribution program and the pilot food stamp program in that State.

STATE OF WASHINGTON,
DEPARTMENT OF PUBLIC ASSISTANCE,
Olympia, February 18, 1964.

HON. CATHERINE MAY,
Member of Congress,
House of Representatives, Washington, D.C.

DEAR MRS. MAY: Because of your interest in the programs involving surplus commodities and the stamp plan in the State of Washington, I am enclosing—

(a) A report comparing direct food distribution and food stamp distribution in the State of Washington.

(b) A copy of the food stamp questionnaire summary which was conducted in Grays Harbor County in which we mailed to all nonrecipients who had used the direct food distribution program a questionnaire. This report shows that over half of the people who no longer participate are unable to do so because of the limitation of their cash funds. Bear in mind that these are people who are not on assistance.

(c) A statement of the participation since the inception of the food stamp program.

On the basis of the survey and the fact that approximately only one-third of the eligible people in Grays Harbor County are using the stamp program, we have some real question about the expansion of this program. Basically, the surplus commodity distribution program was designed to do two things—use up surplus foods and supply a more adequate diet to persons of low income. It appears that the food stamp program accomplishes only a part of this, and the direct food distribution program does a much more adequate job both on using up surplus commodities and of being available to a larger number of low-income people

If I can provide you with any further information, please let me know.

Sincerely,

L. L. HEGLAND, *Director.*

Enclosures.

MEMORANDUM

Date: February 3, 1964.

To: L. L. Hegland.

From: Mary Lou Everson.

Subject: January 1964 food stamp data.

For your information the data for the January 1964 participation in the food stamp program in Grays Harbor County are given in the table below. For your convenience the current month's data have been added to those for prior months.

Recipients of assistance

	Total	Total	Contin- uing	Noncon- tinuing	Nonre- cipients
Persons issued food for August 1963.....	3,608	1,894	1,582	312	1,714
Persons participating in food stamp program:					
September 1963.....	1,016	782	736	46	234
October 1963.....	1,187	814	773	41	373
November 1963.....	1,078	784	751	33	294
December 1963.....	1,100	793	745	48	307
January 1964.....	1,181	870	811	59	311

DIRECT FOOD DISTRIBUTION AND FOOD STAMP DISTRIBUTION PROGRAMS

America's farmers—using highly efficient techniques—are producing more food than can be consumed in this country or exported. Yet, there are Americans who have inadequate diets because of insufficient income. This situation prompted the Federal Government to explore several means of reaching two important national objectives:

1. Safeguarding the health of the Nation's low-income families through better nutrition.
2. Increasing the flow of foods from the Nation's farms to the consumer.

The direct food distribution program and the pilot food stamp program are two alternatives that are currently in operation in the State of Washington.

The department of public assistance administers both programs which are sponsored by the U.S. Department of Agriculture.

The direct food distribution program was inaugurated in May 1961 and achieved a statewide basis in July 1961 and the pilot food stamp

program started in Grays Harbor County September 1, 1963, replacing the direct distribution program in that county.

How the programs work

The direct food distribution program is operated through stores maintained by the State department of public assistance. Families certified as eligible by the county offices obtain their food issue directly from one of 30 direct distribution stores plus 27 subsidiary distribution points (tailgate operations) located in outlying areas of population concentrations. The U.S. Government donates the food issued to the needy families.

The food stamp program operates through normal channels of trade.

Families receiving authorization from the county offices and electing to participate exchange about 70 percent of the money they could normally be expected to spend for food for coupons. The value of the coupons received is greater than the amount paid for them. The difference represents bonus coupons contributed by the U.S. Government to the program.

The families use the coupons to buy food in retail stores at prevailing retail prices. Except for a few imported items, the coupons may be used to purchase any food in the retail store. Retailers are authorized to accept coupons by the Department of Agriculture and agree to abide by the rules of the program in accepting and redeeming coupons. They redeem the coupons through banks or through authorized wholesalers. Banks, in turn, process the coupons through the Federal Reserve System.

The conditions of eligibility are nearly identical for the two programs. In each, families receiving public assistance and having cooking facilities are eligible. Other families may be eligible provided their income and resources do not exceed prescribed amounts. The amount of income allowed depends on the size of household. For example, in either program a single person is allowed up to \$123 monthly income, a two-person household, \$159; four persons \$232; and seven \$319.

The two programs differ slightly in the amount of resources that are exempt. For the direct food distribution program a single person is allowed \$200 cash savings and/or marketable securities while households of two or more persons are allowed \$400. In the food stamp program, a single person is allowed \$323 and multiple-person households are allowed \$400 plus the maximum allowable monthly income (which depends on household size) in exempt resources.

What participants get

The amount of food which a family receives through direct distribution depends on such factors as the number of persons, the amount of each item that a person might be expected to consume and the availability of donable foods. During October 1963, the kinds of food issued and the average amounts and value issued a person for 1 month were:

Item	Pounds	Value	Item	Pounds	Value
Butter.....	1.35	\$0.97	Flour.....	3.57	\$0.42
Nonfat dried milk.....	1.62	.32	Lard.....	.90	.19
Dry beans.....	1.58	.47	Canned chopped meat.....	1.75	1.04
Milled rice.....	1.29	.39	Rolled wheat.....	.97	.19
Peanut butter.....	.65	.23	Cheese.....	1.17	.64
Cornmeal.....	1.71	.20			

The average total value of a person's 1-month food supply was \$5.06 in October.

The value of bonus coupons issued to families varies, depending on such factors as normal patterns of food consumption, family size, and income. These amounts were arrived at by the SDPA in cooperation with the U.S. Department of Agriculture.

The amount each family pays for coupons is geared to the amount it could normally be expected to spend for foods included in the program. For families of the same size, the purchase requirement increases as income increases. Conversely, the amount of bonus coupons decreases for families of higher incomes because such families are better able to afford better diets from their current resources. Some examples of required amounts paid and value of bonus stamps for nonassistance households are:

Size of household	Monthly income	Amount paid	Bonus stamps
2.....	\$55	\$18	\$18
2.....	105	32	14
5.....	10	6	52
5.....	55	24	48
5.....	105	46	42
5.....	265	92	24

For assistance households the monthly purchase requirement is generally a percentage (65 or 70) of the food standard allowed by the Department, which is based on the age and number of household members. The value of bonus coupons is \$6 per person for households with from one to four persons and \$4 for each additional member.

Coupons may be used to purchase any food item in a retail store except coffee, tea, cocoa, bananas, and food clearly identified on the package as imported. They may not be used to purchase nonfood items, such as alcoholic beverages, tobacco products, soaps, pet food, vegetable seeds, etc.

The average value of bonus stamps for a 1-month issue in October 1963 was \$5.71 per person.

Participation

Some idea of the relative participation in the two programs can be obtained by comparing the change in Grays Harbor County participation under the food-stamp program from participation under the direct food distribution program a year earlier to the year-to-year change in direct distribution participation for the rest of the State. The number of persons-months participation for the September–November period during 1962 and 1963 and 1963 participation as a percent of 1962 participation for Grays Harbor County and the rest of the State were:

	Grays Harbor County			Rest of State		
	September–November 1962 person-months	September–November 1963 person-months	1963 percent of 1962	September–November 1962 person-months	September–November 1963 person-months	1963 percent of 1962
Total.....	10,032	3,281	32.7	350,286	378,544	108.0
Continuing assistance.....	4,390	2,260	51.5	166,483	184,187	110.6
Noncontinuing assistance.....	1,113	120	10.8	32,479	28,178	86.8
Nonrecipients.....	4,529	901	19.8	151,324	166,179	109.8

These data indicate that participation in the food-stamp program is significantly less than participation in the direct food distribution program, particularly among the recipients on noncontinuing assistance and low-income families not receiving assistance.

Why lower food-stamp participation

Although available information is insufficient to assess their relative importance, a number of factors appear responsible for the lower food-stamp participation.

1. Some families, both recipients and other low-income families, believe they are unable to participate even though eligible because of the cash outlay involved. Some are living on a credit basis and are unable to get enough cash on hand. The income of others may be received in small amounts and used up as rapidly as it is obtained.

2. Some families think that the purchase requirement is too high. Some old-age-assistance recipients don't think that they spend as much as they would be required to spend on food stamps on food normally. Others believe that they need part of the purchase requirement for other purposes such as rent, clothing, etc. The 12-percent ratable reduction in GA, DA, and ADC probably reduces that portion of their grant available for food by more than 12 percent because costs of such items as rent, fuel, utilities, etc., are inflexible.

3. Of the nonassistance persons who applied from August through November, over half who had been receiving direct distribution foods were denied or withdrew their application for food stamps even though the eligibility requirements for food stamps are a little more liberal. This is likely due to administrative differences in determining eligibility. For food stamps, careful documentation of the amount of income and resources is required in every case while for direct distribution the applicant is required to sign an affidavit in which he states the amount of his income. In both instances there is an interview with the caseworker in which his eligibility is reviewed.

4. Some persons are deterred from participating in the food-stamp program because they believe that the processes involved are too complex.

5. In the food-stamp program there have been active attempts to promote participation such as advertising, contacting nonparticipants, etc. These activities would tend to increase participation over what it would be without them.

Comparison of the two programs

At this point in our experience it is difficult to compare the two programs; however, some of the points which seem to be pertinent are:

1. The low-income person or public assistance recipient receiving direct distribution has more freedom of the use of his income to buy school supplies, etc., than does the person who is required to tie up part of his money in monthly food coupons. On the other side, the tying up of a given amount of money in monthly food coupons helps the family to budget an adequate amount of its low income for food.

2. The use of bonus stamps in place of money in public grocery stores seems to be a deterrent to food stamp participation. However, some persons have also complained about having to pick up their groceries in direct distribution food stores and the fact that the commodities are clearly identifiable as issued by the U.S. Department of Agriculture may also be a deterrent.

3. Recipients of food coupons can obtain a greater variety of food and have better diets. The U.S. Department of Agriculture states that "the food-stamp approach is more effective in lifting the quality of diets of needy families than the commodity donation program." However, recipients of direct distribution also have an opportunity to purchase a greater variety because some of their basic foods have been supplied.

4. For persons participating in the food stamp program the more needy benefit the most since the value of bonus stamps increases as a person's income decreases. In the direct distribution program, persons with income just under the maximum for eligibility receive the same amount of food as persons with less income.

5. Although the total resources added to the community by the direct food distribution program is greater because of the larger participation, the cash which is added through bonus stamps by the food stamp program provides a greater boost to the local economy. The value of the bonus stamps is redeemed by local banks through the Federal Reserve System.

6. More of the needy families in the community are served by direct food distribution. Some of the difference in the number of non-recipient families served by the two programs is the result of differences in methods of certification. However, fewer public assistance recipients participate in the food stamp program even though certification procedures are identical.

7. Based on the experience to date, it costs the State less to administer the food stamp program than the direct distribution food program. The overall administrative costs are less and, in addition, the U.S. Department of Agriculture pays a portion of the administrative costs.

8. Since the bonus stamp purchases are subject to State taxes the food stamp program provides a source of revenue for the State.

9. Some families with little resources or income who are able to get by with the help of direct distribution foods may not be able to obtain the cash for participation in food stamps and as a result may require assistance.

MEMORANDUM

Date: February 17, 1964.

To: L. L. Hegland.

From: Mary Lou Everson.

Subject: Food stamp questionnaire summary.

Attached is a summary of replies to the questionnaire mailed on January 15, 1964, to nonrecipient households who received direct food distribution in Grays Harbor County for August 1963. A copy of the questionnaire is also attached. The summary is based on the questionnaires received on or before February 17, 1964, since most of the responses appear to have been received by that time.

The proportion of questionnaires which were returned is exceptionally high for a mail survey. There were 206 or 49 percent of 420 possible questionnaires completed (36 were returned as undeliverable).

The responses were checked in all ways possible to assess their accuracy. Although the answers that would be given by households not completing the questionnaire might change the results, it appears that the results are sufficiently accurate to support the following conclusions:

1. The vast majority of those persons receiving food stamps prefer them to direct food distribution (49 of the 51 households indicating

that they are getting food stamps prefer them to direct food distribution).

2. The vast majority of households who are not getting food stamps and who would not be getting direct food distribution are now making too much money (80 percent of those answering).

3. The vast majority of those who are not getting food stamps but who would be getting direct food distribution believe that they do not have enough money (96 of 106 households checked 1 or more of the following answers: "Not enough money at one time," "Need money for paying bills," or "Need money to buy other things"). Nearly half (17 out of 41) of the households who would not be getting direct food distribution also responded in a similar manner.

TABLE 1.—Disposition of January 1964 mail questionnaires to nonrecipient households receiving direct food distribution for August 1963 in Grays Harbor County (as of Feb. 17, 1964)

Disposition	Number	Percent
Mailed.....	456	100
Completed and returned by Feb. 17, 1964.....	206	45
Returned as undeliverable by Feb. 17, 1964.....	36	8
Not returned as of Feb. 17, 1964.....	214	47

TABLE 2.—Preferred program of nonrecipient households receiving direct food distribution in Grays Harbor County for August 1963 who received food stamps

Preferred program	Number	Percent
Total.....	51	100
Direct food distribution.....	2	4
Food stamp program.....	49	96

TABLE 3.—Reasons given by nonrecipient households receiving direct food distribution in Grays Harbor County for August 1963 for not participating in the food stamp program—Mail questionnaire, January 1964

Reason for not getting food stamps	Total	Would be getting direct food distribution now		
		Yes	No	Unknown
Total.....	155	106	41	8
(a) Making too much money to get them now.....	40	6	33	1
(b) Don't have enough money at any one time to buy food stamps.....	92	79	8	5
(c) Need money for paying bills.....	87	68	14	5
(d) Need money to buy other things.....	72	60	9	3
(b), (c), or (d) in combination.....	118	96	17	5
(e) Can't prove how much I make.....	16	14	2	0
(f) Too hard to use food stamps.....	36	30	6	0
(g) Don't know how to get stamps.....	20	16	3	1
(h) Don't use as much food as I would have to buy.....	23	20	3	0
(i) Buy at commissary.....	1	1	0	0
(j) No longer live in Grays Harbor.....	1	0	0	1

STATE OF WASHINGTON,
DEPARTMENT OF PUBLIC ASSISTANCE,
Olympia, January 8, 1964.

The Department of Public Assistance with the U.S. Department of Agriculture has been trying food stamps in Grays Harbor County. We want to find out more about ways of helping families to get more

food when they need it. We are sending this letter only to those families whose answers to the questions will help us. You are one of these.

There is no way of telling your answers from any of the others, so please tell what you *really* think. The stamped, self-addressed envelope is for you to send us your answers. Please send them right away.

Put an X after all answers that say what you *really* think.

Are you getting food stamps now? Yes _____ No _____	
If you <i>are</i> getting food stamps now answer these questions:	If you <i>are not</i> getting food stamps answer these questions:
Which do you like best? Food stamps _____ Surplus foods _____	Would you be getting surplus foods now, if we had them? Yes _____ No _____
What things do you like better about surplus foods? ----- -----	Why don't you get food stamps? Making too much money to get them now _____ Don't have enough money at any one time to buy food stamps _____ Need money for paying bills _____ Need money to buy other things _____
What things do you like better about food stamps? ----- -----	Can't prove how much I make _____ Too hard to use food stamps _____ Don't know how to get food stamps _____ Don't use as much food as I would have to buy _____ If some other reason tell what it is: ----- -----
	Did you apply for food stamps? Yes _____ No _____

VI. PRESENT FEDERAL FOOD DISTRIBUTION PROGRAMS

The U.S. Department of Agriculture is at present making substantial amounts of food available to needy people at home and overseas. The foods are donated to needy people in the United States through the direct distribution program. Other Americans receive surplus food or Federal cost assistance through the school lunch program, the school milk program, and the existing pilot food stamp projects. Needy people overseas also receive large quantities of our farm abundance under Public Law 480 and its related programs.

THE DIRECT DISTRIBUTION PROGRAM

The Department of Agriculture acquires surplus foods through agricultural price support and stabilization or surplus removal programs. The purpose of the food donation programs is to assist in the proper disposal of these surplus commodities. These commodities are held in the inventories of the Commodity Credit Corporation and are available for sale or other disposal under certain conditions prescribed by law.

When a commodity not covered by price supports encounters serious marketing difficulties, the Department may undertake a one-time or short-term purchase program to remove the surplus from the market.

The quantity purchased under such a surplus removal program is limited by the amount eligible recipients can effectively utilize in a reasonable period because these are commodities that cannot be held in storage for any sustained length of time. Many times, however, the market can be effectively stabilized with an even smaller purchase; if so, purchases are limited to that amount.

The authority for such surplus purchase and donation operations is contained in section 32 of the act of August 24, 1935, as amended,⁶ and related legislation. When limited "section 32" surplus removal purchases are made, the quantities purchased usually are sufficient only for distribution to school lunch programs, which have the first priority on foods available for donation. In past years, there have at times been purchases, for example, of meats, fruits, and vegetables.

When CCC inventories of food commodities cannot be sold, the Department is authorized to donate them to school lunch programs, needy Indians, and for use of needy people in charitable institutions and family units in this country.

If the available surplus food supplies exceed the requirements of the eligible recipients in this country, they may then be offered to U.S. voluntary agencies for distribution to needy people in other countries.

This authority to donate surplus CCC foods for needy persons in other countries as well as at home is contained in section 416 of the Agricultural Act of 1949, as amended.⁷

The kind and quantity of surplus foods available change from time to time. As surplus foods become available, the needs of domestic outlets such as schools, institutions, and needy persons are fully met before the foods are offered to needy people abroad. The amount moving to needy families is limited only by the distribution made by State and local authorities.

In donating surplus foods for use by eligible needy people, the Department of Agriculture has in the past followed the accepted principle that the administration of welfare programs is the responsibility of States and local communities. Until the advent of the pilot food stamp program, the Department did not establish a single national standard by which the economic need of people is to be determined.

Under the direct distribution program, each State establishes eligibility standards for determining economic need and appropriate public welfare agencies within each State certify needy people to receive surplus food on the basis of these eligibility standards. The Department simply requires that the eligibility standards used by each State bear a close relationship to the eligibility standards used in the State's own welfare program.

Each State makes arrangements with its counties or communities for the certification of eligible families, for the storage and handling of donated foods, and for the operation of a distribution center where certified needy people receive these foods.

The method of surplus food purchase and distribution currently in use in the direct distribution program has been in use for 29 years, since such activities were first authorized in 1935. Throughout those years this system has proved to be a simple, efficient, and effective means of distributing surplus foods to needy people. It stabilizes market prices for producers when they market their products, and gets surplus foods to people who need and can make good use of them.

⁶ 7 U.S.C. 612c.

⁷ 7 U.S.C. 1431.

DOMESTIC DONATIONS

As the following USDA press release points out, the U.S. Government now administers programs directly affecting the diets of one out of every six Americans. The retail value of these foods distributed under all of our domestic programs reached nearly \$900 million in fiscal year 1963.

U.S. DEPARTMENT OF AGRICULTURE GIVES BACKGROUND ON
FOOD DISTRIBUTION

The U.S. Department of Agriculture's food distribution programs now directly affect the diets of one out of every six people in the United States. In retail value, these people received approximately \$900 million of Federal food assistance during the last fiscal year and this will be exceeded in the current fiscal year.

Three out of every four children are now attending schools which participate in the national school lunch program. This is substantial progress since 1958, when the program was available to only two out of every three schoolchildren.

During this school year, some 16 million children will eat the nutritionally balanced type A lunch served under this program, 4.5 million more than in 1958, and 2.5 million more than in the 1960-61 school year.

About 10 percent of the 2.7 billion type A lunches to be served this year will be served to needy children free or at reduced prices.

This year an estimated 2.9 billion half pints of milk will be consumed under the special milk program in schools, day-care centers, orphanages, and summer camps. This is in addition to the 2.7 billion half pints served as a part of the type A lunches. Together, these programs account for over 5 percent of all the fluid milk consumed off farms in this country.

Significant and substantial progress has been made in making federally donated foods available to supplement the diets of low-income families in this country.

In December 1960, the needy family food donation program was operating in 1,142 counties throughout the country. In September 1963, the program was operating in 1,499 counties.

In December 1960, 3.7 million people were benefiting from USDA-donated foods. In September 1963, these foods went to 5.2 million, and another 348,000 needy people were assisted under the pilot food stamp program.

In December 1960, the Department was making available five foods worth at retail \$1.25 per person per month. Now, 11 foods are made available with a retail value of \$5.85 per person per month.

Since mid-1961, the Department of Agriculture has been testing a food stamp program which increases the food purchasing power of low-income families. This program, now operating in 43 areas in 22 States, has proved effective and feasible. Legislation authorizing a continuing and expanded food stamp program is now pending in the Congress.

The following USDA press release tabulates the volume and the value of foods donated domestically under the direct distribution system and overseas under Public Law 480 and related statutes during fiscal year 1962 and fiscal year 1963. Please note that domestic donations under the direct distribution program alone (exclusive of school lunch, school milk, and pilot food stamp programs) reached a value of \$354.4 million in fiscal year 1963. Foreign donations were \$276.6 million, bringing the total to an alltime high of \$631 million in fiscal year 1963.

USDA FOOD DONATIONS TOP 4.8 BILLION POUNDS IN FISCAL 1963

The U.S. Department of Agriculture, furthering the effective use of this Nation's agricultural abundance, distributed more than 4.8 billion pounds of food at home and abroad during the fiscal year 1963. That was nearly 2 percent more than the total distributed in the previous year.

Donations of foods to needy persons in this country totaled 1.2 billion pounds in the year ending June 30. The previous year 1.4 billion pounds were distributed.

Food distributed to schools in the United States and territories totaled 488,100,000 pounds, or 25,300,000 pounds more than the program used the previous year. This reflected cooperative Federal-State actions to improve diets of school-children. In addition, schools participating in the national school lunch program received other supplementary foods purchased by USDA with school lunch funds to help these schools meet nutritional needs of the Nation's youngsters.

Last year, donations of foods benefiting some 1.4 million people in charitable institutions decreased 14,700,000 pounds to a total of 165,200,000 pounds.

Included in the total domestic distribution of foods last year were over 1 million pounds of USDA commodities given to more than 56,000 persons—victims of hurricanes, floods, and similar natural disasters in 8 States and Puerto Rico.

As part of the food-for-peace program, donations for foreign school lunches and needy persons showed an increase of about 7.4 percent. The total for fiscal 1963 was 2.9 billion pounds. This compares with 2.7 billion pounds in 1962. This food was distributed by U.S. voluntary relief agencies and intergovernmental organizations in more than 100 friendly foreign countries.

The cost of donated commodities to all outlets during the past fiscal year was \$631 million, as against \$590 million in fiscal 1962, or a 6.9-percent increase.

These commodities were acquired by USDA in its price-support and surplus-removal operations, and made available through the Agricultural Marketing Service's direct distribution program to schools, needy families, and charitable institutions in this country, and to needy persons and school lunch programs abroad.

Schools and eligible institutions in all 50 States, the District of Columbia, Commonwealth of Puerto Rico, and 4 U.S. territories participated in distribution programs during the

past year. Donated foods were distributed to needy persons in 48 States, the District of Columbia, Puerto Rico, the Virgin Islands, and the Trust Territory of the Pacific.

In June 1963, 5.5 million needy persons in family units received USDA foods—a decline of 900,000 from a year earlier.

The following table shows, by States, the number of needy persons in family units receiving donated commodities at the end of the 1963 fiscal year:

Alabama.....	137, 438
Arizona.....	77, 861
Arkansas.....	128, 069
California.....	15, 421
Colorado.....	55, 579
Connecticut.....	769
Delaware.....	21, 654
District of Columbia.....	33, 830
Florida.....	98, 094
Georgia.....	72, 463
Idaho.....	5, 503
Illinois.....	119, 387
Indiana.....	90, 530
Iowa.....	80, 358
Kansas.....	24, 157
Kentucky.....	233, 429
Louisiana.....	127, 744
Maine.....	51, 881
Maryland.....	72, 194
Massachusetts.....	11, 672
Michigan.....	289, 514
Minnesota.....	70, 537
Mississippi.....	202, 821
Missouri.....	129, 083
Montana.....	17, 806
Nebraska.....	1, 722
Nevada.....	1, 276
New Hampshire.....	11, 331
New Jersey.....	16, 082
New Mexico.....	83, 373
New York.....	548, 058
North Carolina.....	118, 513
North Dakota.....	11, 021
Ohio.....	199, 630
Oklahoma.....	293, 122
Oregon.....	49, 940
Pennsylvania.....	633, 125
Puerto Rico.....	644, 123
Rhode Island.....	11, 775
South Dakota.....	23, 437
Tennessee.....	117, 295
Texas.....	156, 408
Utah.....	21, 441
Vermont.....	17, 704
Virginia.....	17, 735
Virgin Islands.....	2, 577
Washington.....	114, 117
West Virginia.....	189, 928
Wisconsin.....	75, 000
Wyoming.....	12, 536
Trust territory.....	10, 889
Total.....	5, 549, 952

The following tables show totals of food donated for domestic and foreign distribution during the 12 months, July 1962 through June 1963, by commodity and cost, with comparisons for the previous fiscal year:

Quantities of foods donated for domestic and foreign use ¹ fiscal years 1962 and 1963

[Million pounds]

Commodity	Domestic						Foreign distribu- tion, fiscal year—		Total distribu- tion, fiscal year—	
	Schools, fiscal year—		Institutions, fiscal year—		Needy persons, fiscal year—		Total, fiscal year—			
	1962	1963	1962	1963	1962	1963	1962	1963		
Beans, dry.....	19.1	23.0	5.8	5.9	124.5	100.0	149.4	129.0	32.7	76.4
Bulgur.....	---	3	---	.3	---	---	---	---	58.4	224.7
Butter.....	83.8	88.0	18.1	20.3	59.5	55.6	161.4	163.9	161.4	175.9
Butter oil.....	---	---	---	---	---	---	---	---	---	---
Cheese.....	44.0	46.2	8.3	10.8	49.5	84.0	101.8	141.0	26.9	26.9
Corn.....	---	---	---	---	---	---	---	---	---	---
Cornmeal.....	16.4	16.6	7.6	6.8	178.1	151.9	202.1	175.3	45.6	70.2
Cranberries.....	8.8	8.4	1.5	1.2	---	---	10.3	9.6	392.7	423.9
Eggs, dried.....	2.4	7.4	1.9	1.9	10.3	.1	13.1	9.4	10.3	9.6
Flour.....	120.8	128.5	78.1	74.5	347.3	309.1	546.2	512.1	13.1	9.4
Ghee.....	---	---	---	---	---	---	---	---	1,369.3	1,213.7
Honey.....	---	.3	---	(2)	---	---	---	---	1,915.5	1,725.8
Lamb, carcass, frozen.....	2.3	---	1.7	---	---	---	---	.3	---	.9
Lard.....	27.2	7.9	8.4	4.6	81.0	37.1	4.0	---	4.0	---
Meat, chopped.....	---	---	---	---	132.8	132.3	116.6	49.6	116.6	49.6
Milk, nonfat dry.....	---	---	---	---	188.4	153.1	132.8	132.3	132.8	132.3
Oats, rolled.....	26.9	26.4	13.7	14.5	27.9	(2)	209.0	194.0	733.1	815.7
Orange juice, concentrated.....	---	---	---	---	---	---	27.9	(2)	524.1	621.7
Peas.....	---	(2)	---	.2	---	---	---	---	---	---
Peanut butter.....	---	---	---	2.4	---	---	---	2.4	---	2.4
Pears.....	10.1	9.9	---	---	39.2	33.9	49.3	43.8	49.3	43.8
Pork and gravy.....	---	21.6	---	.9	---	---	22.5	22.5	22.5	22.5
Pork, natural juices.....	---	---	---	---	10.5	(2)	10.5	(2)	10.5	(2)
Potatoes:	---	.3	---	---	---	---	---	.3	---	.3
White.....	---	---	---	---	---	---	---	---	---	---
Sweet.....	15.3	---	25.1	3.8	---	---	40.4	16.2	40.4	16.2
Rice.....	22.2	12.4	8.2	7.4	110.9	94.3	141.3	123.6	141.3	123.6
Shortening.....	---	21.9	---	3.9	---	---	---	---	129.8	129.8
Turkeys, frozen.....	---	18.3	---	---	29.4	---	59.7	42.6	59.7	42.6
Vegetable oil.....	59.7	42.6	---	---	---	---	---	---	102.4	52.4
Wheat.....	---	---	---	---	---	---	---	---	49.1	57.6
Wheat, rolled.....	3.8	8.1	3.0	5.8	37.1	65.0	43.9	78.9	43.9	94.9
Total.....	462.8	488.1	179.9	165.2	1,377.0	1,246.0	2,019.7	1,899.3	2,704.1	2,903.6
	---	---	---	---	---	---	---	---	4,723.8	4,802.9

¹ Represents commodities acquired and distributed under the price support and surplus removal activities of the Department.² Less than 50,000 pounds.

Cost of foods donated for domestic and foreign use fiscal years 1962 and 1963

[Million dollars]

Commodity	Domestic						Foreign distribu- tion, fiscal year—		Total distribu- tion, fiscal year—	
	Schools, fiscal year—		Institutions, fiscal year—		Needy persons, fiscal year—		Total, fiscal year—			
	1962	1963	1962	1963	1962	1963	1962	1963		
Beans, dry	1.5	1.7	0.5	0.5	9.7	7.6	11.7	9.8	13.6	15.4
Bulgur	51.7	(1)	11.2	(1)	36.7	(1)	90.6	(1)	3.4	12.7
Butter	17.0	54.1	3.2	12.4	19.1	34.2	39.3	100.7	99.6	108.2
Butter oil		17.4	4.1	4.1	19.1	31.7	39.3	53.2	21.7	21.7
Cheese									39.3	67.6
Corn									1.3	1.7
Cornmeal	5	.6	.3	.2	6.0	5.2	6.8	6.0	13.6	1.7
Cranberries	1.3	1.3	.2	.2			1.5	1.5	20.4	21.6
Eggs, dried	2.5	7.8	.5	2.0	10.8	.1	13.8	9.9	1.5	1.5
Flour	6.5	7.2	4.2	4.2	18.7	17.4	29.4	28.8	13.8	9.9
Ghee									100.9	96.2
Honey		.1		(1)				.8		.8
Lamb, carcass, frozen	.9		.7				1.6	.1	1.6	.1
Lard	3.6	1.1	1.1	.6	10.7	5.0	15.4	6.7	15.4	6.7
Meat, chopped					53.7	51.7	53.7	51.7	53.7	51.7
Milk, nonfat dry	5.0	4.3	2.5	2.3	31.3	24.8	38.8	31.4	89.5	103.8
Oats, rolled					2.0	(1)	2.0	(1)	2.0	(1)
Orange juice, concentrates				(1)						(1)
Peaches				.2				2		.2
Peanut butter	2.0	1.9			8.0	6.3	100	8.2	10.0	8.2
Pears		1.9		.1			6.0	2.0	2.0	2.0
Pork and gravy					6.0	(1)	6.0	(1)	6.0	(1)
Pork, natural juices		.1						.1		.1
Potatoes:										
White										
Sweet	.3		.5				.8		.8	
Rice		8		.2				1.0		1.0
Shortening	2.3	2.2	.8		11.1	9.5	14.2	12.5	14.2	12.5
Turkeys, frozen		3.5		.7		5.7		9.9	23.6	23.6
Vegetable oil	17.6	14.4					17.6	14.4	17.6	14.4
Wheat									17.9	9.4
Wheat, rolled									1.8	2.1
Total	.3	.6	.2	.5	3.1	5.2	3.6	6.3	1.8	2.1
Total	113.0	121.0	25.9	29.0	226.9	204.4	305.8	354.4	224.5	276.6
Total									590.3	631.0

1 Less than \$50,000.

SUMMARY

The unduly costly and inefficient program envisioned by H.R. 10222 is simply not needed at this time. It represents a serious threat to the maintenance of responsible State and local governments in America. It aggravates, rather than solves, the problems of both farmers and needy persons. Why, then, we ask, should new and sweeping powers be granted to the Secretary of Agriculture to enlist hundreds of more Federal employees to resurrect and impose upon the entire Nation a program which was tried and then died two decades ago?

CHARLES B. HOEVEN.
PAUL B. DAGUE.
PAGE BELCHER.
CLIFFORD G. McINTIRE.
CHARLES M. TEAGUE.
DON L. SHORT.
CATHERINE MAY.
DELBERT L. LATTA.
RALPH HARVEY.
PAUL FINDLEY.
ROBERT DOLE.
RALPH F. BEERMANN.
EDWARD HUTCHINSON.

ADDITIONAL VIEWS OF HON. ALBERT H. QUIE

While I concur generally with the minority report, I want to take this opportunity to particularly stress the importance of the State-sharing amendment which I offered and the committee accepted.

There should be no question in anyone's mind that the proposed nationwide food-stamp plan is basically a welfare proposal.

There is, of course, nothing wrong with a Federal welfare program as such.

There is, however, an important principle involved as to how national welfare programs are to be executed and administered.

The time-honored and time-tested principle that has been historically and successfully followed is to give the State and local governmental bodies the opportunity to share in both the benefits and the responsibilities of federally sponsored programs.

At the present time nearly \$100 million per year is spent by the Federal Government on the school milk program. Another \$137 million is being spent each year by the Federal Government on the school lunch program. Yet in both these programs the vital principle of local and State participation is preserved.

During the consideration of this legislation, my colleague, the Honorable Clifford McIntire, distributed the following letter which he received from the Library of Congress in response to his request for information on the degree of Federal-State sharing in welfare programs:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington D.C., August 9, 1963.

To: HON. CLIFFORD G. MCINTIRE,

From: Education and Public Welfare Division.

Subject: Certain aspects of the costs of Federal welfare programs.

You requested answers to the following specific questions. We have interpreted Federal welfare programs to mean the so-called public assistance programs of the Social Security Act; i.e., old-age assistance, medical assistance for the aged, aid to families with dependent children, aid to the blind, and aid to the permanently and totally disabled.

1. Are there any Federal welfare programs now in effect under which the entire program cost is borne by the Federal Government? If so, which ones?

No.

2. Does the Federal Government pay the entire administrative costs of any welfare program?

No.

3. In joint Federal-State welfare programs, what is the general ratio of cost sharing? Which programs require State or local participation in their funding?

The budget for fiscal 1964 states that "for 1964, the total amount of Federal, State, and local expenditures for assistance, for administra-

tion, services, and training, and for demonstration projects is estimated at \$4,940.2 million of which \$2,971 million represents the Federal share.” The Federal share is thus 60.1 percent of the total. This varies from State to State, inasmuch as part of the matching formula depends upon a State’s per capita income. All of the programs require State or local participation in their funding.

4. A chart or table reflecting a list of the various federally sponsored welfare programs, the average annual expenditure of funds for each such program, the amount of Federal participation in dollars and by percentage and the degree of Federal participation in the cost of administration expenses.

Total payments to or on behalf of recipients

[Dollar amounts in millions]

	1962 actual	1963 estimate	1964 estimate
Old-age assistance:			
Total expenditures (Federal, State, and local).....	\$1,899.0	\$2,036.5	\$2,096.9
Federal share.....	\$1,208.4	\$1,297.3	\$1,382.9
Percent, Federal share.....	63.6	63.7	65.9
Medical assistance for the aged:			
Total expenditures (Federal, State, and local).....	\$190.1	\$295.3	\$379.5
Federal share.....	\$96.4	\$152.4	\$197.8
Percent, Federal share.....	50.7	51.6	52.1
Aid to families with dependent children:			
Total expenditures (Federal, State, and local).....	\$1,338.6	\$1,443.7	\$1,509.2
Federal share.....	\$770.9	\$831.2	\$865.6
Percent, Federal share.....	57.6	57.6	56.7
Aid to the blind:			
Total expenditures (Federal, State, and local).....	\$92.8	\$93.5	\$93.7
Federal share.....	\$43.7	\$44.7	\$45.7
Percent, Federal share.....	47.1	47.8	48.8
Aid to the permanently and totally disabled:			
Total expenditures (Federal, State, and local).....	\$334.5	\$401.8	\$440.1
Federal share.....	\$181.9	\$219.8	\$246.2
Percent, Federal share.....	54.4	54.7	55.9

Source: Appendix to the Budget of the U.S. Government, 1964, p. 462.

State and local administration, services, and training expenditures

[In millions]

	1962 actual	1963 estimate	1964 estimate
(a) Old-age assistance.....	\$121.1	\$129.1	\$144.6
(b) Medical assistance for the aged.....	12.8	21.4	24.3
(c) Aid to families with dependent children.....	149.9	160.4	186.8
(d) Aid to the blind.....	8.7	8.8	9.6
(e) Aid to the permanently and totally disabled.....	38.8	47.1	53.5
Total expenditures (Federal, State, and local).....	331.3	366.8	418.8
Federal share.....	164.1	192.9	230.8
Percent Federal share.....	49.5	52.5	55.1

Source: Appendix to the budget of the U.S. Government, 1964, p. 463.

Generally, since 1946, Federal matching of administrative costs has been, for all public assistance programs on a dollar-for-dollar basis. The public Welfare Amendments of 1962 authorized a 75-percent Federal share as to certain expenditures for providing preventive and rehabilitation services.

FREDERICK B. ARNER.
HELEN E. LIVINGSTON.

The sound principle of State-Federal sharing is not incorporated in the pilot food stamp program however.

I was a member of the Special Subcommittee on Food Stamps during this Congress. I visited the pilot food stamp project at Uniontown, Pa., with my colleagues last August.

We were told by departmental officials on that trip that the bonus value of the stamps issued in Fayette County during 1 fiscal year was in excess of \$2 million. This \$2 million was, of course, paid entirely by the Federal Government.

Speaking at Uniontown, Pa., Assistant Secretary of Agriculture George Mehren said on November 13, 1963, as follows (USDA Press Release 3721-63):

The food stamp program merits special mention here in Pennsylvania, where Fayette County was one of the original eight areas in which we initiated this new approach in mid-1961. During the past year, the program was extended to the city of Pittsburgh, and to Cambria and Luzerne Counties, along with some 40 other areas throughout the Nation. The pilot operation is so constructed that it gives low-income families additional purchasing power for food only, and thus means "new" or additional dollars pumped into the economy of the area. It also means more and better food for participating families, which in turn means expanded markets for farmers.

In the Keystone State, the Federal contribution for food stamp coupons since 1961 totals more than \$7½ million—dollars that moved into and through commercial channels in addition to the \$22 million that the 75,000 or 80,000 food stamp recipients spent for food out of their own money.

With the Federal Government pouring money into a State at the rate described by the Assistant Secretary, it is little wonder that the program becomes "popular" with those who receive this bounty.

The question remains, however, whether such high expenditures could be tolerated under a national program.

The key to the success of the food stamp program lies in the acceptance of local financial responsibility.

The argument that State legislatures won't appropriate the necessary matching funds does an injustice to every State legislature in our country. There is no tax available to the Federal Government which is not also available to a State with the exception of import duties. A close scrutiny of recent Federal deficits shows that the Federal Government is no more capable of handling these costs than are the States. If the people of any State want this program and are willing to pay for just one-half of it, I am confident the various State legislatures will respond to that wish.

History has shown that when people want roads, the States act; when they want Kerr-Mills medical care, the States act; and when they want a variety of other available Federal matching programs, they act.

There is no reason to believe they will fail to do so under the food stamp program.

The administration undoubtedly will make every effort to see that the Quie amendment for 50-percent State sharing is removed. If we

are going to protect the proven concept of State-Federal sharing of welfare responsibilities and protect the States prerogative to make the major decisions in welfare programs, this amendment must be retained. If such is the case, I am confident the food stamp plan will not get out of hand.

ALBERT H. QUIE.



88TH CONGRESS
2D SESSION

[Report No. 1228]

[Omit the part struck through and insert the part printed in *italic*]

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as “The Food Stamp Act of
4 1964”.

6 SEC. 2. It is hereby declared to be the policy of Con-
7 gress, in order to promote the general welfare, that the

1 Nation's abundance of food should be utilized cooperatively
2 by the States, the Federal Government, and local govern-
3 mental units to the maximum extent practicable to safeguard
4 the health and well-being of the Nation's population and
5 raise levels of nutrition among economically needy house-
6 holds. The Congress hereby finds that increased utilization
7 of foods in establishing and maintaining adequate national
8 levels of nutrition will tend to cause the distribution in a
9 beneficial manner of our agricultural abundances and will
10 strengthen our agricultural economy, as well as result in more
11 orderly marketing and distribution of food. To effectuate
12 the policy of Congress and the purposes of this Act, a food
13 stamp program, which will permit those households in eco-
14 nomic need to receive a greater share of the Nation's food
15 abundance, is herein authorized.

16 DEFINITIONS

17 SEC. 3. As used in this Act—

18 (a) The term "Secretary" means the Secretary of
19 Agriculture.

20 (b) The term "food" means any food or food product
21 for human consumption except alcoholic beverages, tobacco,
22 *soft drinks, luxury foods, and luxury frozen foods as deter-*
23 *mined by the Secretary,* and those foods which are identified
24 on the package as being imported from foreign sources: *when*
25 *they arrive at the retail store.*

1 (c) The term "coupon" means any coupon, stamp, or
2 type of certificate issued pursuant to the provisions of this
3 Act.

4 (d) The term "coupon allotment" means the total value
5 of coupons to be issued to a household during each month or
6 other time period.

7 (e) The term "household" shall mean a group of re-
8 lated or nonrelated individuals, who are not residents of an
9 institution or boarding house, but are living as one economic
10 unit sharing common cooking facilities and for whom food
11 is customarily purchased in common. The term "household"
12 shall also mean a single individual living alone who has cook-
13 ing facilities and who purchases and prepares food for home
14 consumption.

15 (f) The term "retail food store" means an establish-
16 ment, including a recognized department thereof, or a house-
17 to-house trade route which sells food to households for home
18 consumption.

19 (g) The term "wholesale food concern" means an
20 establishment which sells food to retail food stores for resale
21 to households.

22 (h) The term "State agency" means the agency of the
23 State government which has responsibility for the admin-
24 istration of the federally aided public assistance programs.

1 (i) The term “bank” means member or nonmember
2 banks of the Federal Reserve System.

3 (j) The term “State” means the fifty States and the
4 District of Columbia.

5 (k) The term “food stamp program” means any pro-
6 gram promulgated pursuant to the provisions of this Act.

7 ESTABLISHMENT OF THE FOOD STAMP PROGRAM

8 SEC. 4. (a) The Secretary is authorized to formulate
9 and administer a food stamp program under which, at the
10 request of an appropriate State agency, eligible households
11 within the State shall be provided with an opportunity more
12 nearly to obtain a nutritionally adequate diet through the
13 issuance to them of a coupon allotment which shall have a
14 greater monetary value than their normal expenditures for
15 food. The coupons so received by such households shall be
16 used only to purchase food from retail food stores which have
17 been approved for participation in the food stamp program.
18 Coupons issued and used as provided in this Act shall be re-
19 deemable at face value by the Secretary through the facilities
20 of the Treasury of the United States.

21 (b) In areas where a food stamp program is in effect,
22 there shall be no distribution of foods to households under the
23 authority of any other law except during emergency situa-
24 tions caused by a natural disaster as determined by the
25 Secretary.

1 (c) The Secretary shall issue such regulations, not
2 inconsistent with this Act, as he deems necessary or appro-
3 priate for the effective and efficient administration of the
4 food stamp program.

5 ELIGIBLE HOUSEHOLDS

6 SEC. 5. (a) Households eligible to participate in the
7 food stamp program shall be those whose economic status
8 is such as to be a substantial limiting factor in the attainment
9 of a nutritionally adequate diet.

10 (b) Each State shall establish standards to determine
11 the eligibility of applicant households which standards,
12 among other things, shall take into account such of the
13 factors used by each State in granting assistance under the
14 federally aided public assistance programs as the Secretary
15 determines will tend to effectuate the purposes of the food
16 stamp program. The standards of eligibility to be used by
17 each State for the food stamp program shall be subject to the
18 approval of the Secretary.

19 ISSUANCE AND USE OF COUPONS

20 SEC. 6. (a) Coupons shall be printed in such denomina-
21 tions as may be determined to be necessary, and shall be
22 issued only to households which have been duly certified as
23 eligible to participate in the food stamp program.

24 (b) Coupons issued to eligible households shall be used
25 by them only to purchase food in retail food stores which

1 have been approved for participation in the food stamp
2 program at prices prevailing in such stores: *Provided*, That
3 nothing in this Act shall be construed as authorizing the
4 Secretary to specify the prices at which food may be sold by
5 wholesale food concerns or retail food stores.

6 (c) Coupons issued to eligible households shall be simple
7 in design and shall include only such words or illustrations
8 as are required to explain their purpose and define their
9 denomination. The name of any public official shall not
10 appear on such coupons.

11 VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE
12 MADE

13 SEC. 7. (a) The face value of the coupon allotment
14 which State agencies shall be authorized to issue to house-
15 holds certified as eligible to participate in the food stamp
16 program shall be in such amount as will provide such house-
17 holds with an opportunity more nearly to obtain a nutri-
18 tionally adequate diet.

19 (b) Households shall be charged such portion of the
20 face value of the coupon allotment issued to them as is de-
21 termined to be equivalent to their normal expenditures for
22 food.

23 (c) The value of the coupon allotment provided to any
24 eligible household which is in excess of the amount charged
25 such households for such allotment shall not be considered

1 to be income or resources for any purpose under any Fed-
2 eral or State laws including, but not limited to, laws re-
3 lating to taxation, welfare, and public assistance programs.

4 (d) Funds derived from the charges made for the
5 coupon allotment shall be promptly deposited in a manner
6 prescribed in the regulations issued pursuant to this Act, in
7 a separate account maintained in the Treasury of the United
8 States for such purpose. Such deposits shall be available,
9 without limitation to fiscal years, for the redemption of
10 coupons.

11 APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD
12 CONCERNS

13 SEC. 8. (a) Regulations issued pursuant to this Act
14 shall provide for the submission of applications for approval
15 by retail food stores and wholesale food concerns which
16 desire to be authorized to accept and redeem coupons under
17 the food stamp program and for the approval of those appli-
18 cants whose participation will effectuate the purposes of
19 the food stamp program. In determining the qualifications
20 of applicants there shall be considered among such other
21 factors as may be appropriate, the following: (1) the nature
22 and extent of the retail or wholesale food business conducted
23 by the applicant; (2) the volume of coupon business which
24 may reasonably be expected to be conducted by the appli-
25 cant retail food store or wholesale food concern; and (3)

1 the business integrity and reputation of the applicant. Ap-
2 proval of an applicant shall be evidenced by the issuance to
3 such applicant of a nontransferable certificate of approval.

4 (b) Regulations issued pursuant to this Act shall re-
5 quire an applicant retail food store or wholesale food concern
6 to submit information which will permit a determination
7 to be made as to whether such applicant qualifies, or con-
8 tinues to qualify, for approval under the provisions of this
9 Act or the regulations issued pursuant to this Act. Regula-
10 tions issued pursuant to this Act shall provide for safeguards
11 which restrict the use or disclosure of information obtained
12 under the authority granted by this subsection to purposes
13 directly connected with administration and enforcement of
14 the provisions of this Act or the regulations issued pursuant
15 to this Act.

16 (c) Any retail food store or wholesale food concern
17 which has failed upon application to receive approval to par-
18 ticipate in the food stamp program may obtain a hearing
19 on such refusal as provided in section 13 of this Act.

20 REDEMPTION OF COUPONS

21 SEC. 9. Regulations issued pursuant to this Act shall
22 provide for the redemption of coupons accepted by retail
23 food stores through approved wholesale food concerns or
24 through banks, with the cooperation of the Treasury Depart-
25 ment.

ADMINISTRATION

SEC. 10. (a) All practicable efforts shall be made in the administration of the food stamp program to insure that participants use their increased food purchasing power to obtain those staple foods most needed in their diets, and particularly *to encourage the continued use of those in abundant or surplus supply; so as not to reduce the total consumption of surplus commodities which have been made available through direct distribution.* In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted.

(b) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons: *Provided, That the State agency may, subject to approval by the Secretary, delegate its responsibility in connection with the issuance of coupons to another agency of the State government.* There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved

1 for such period of time, not in excess of three years, as may be
2 specified in the regulations.

3 (c) In the certification of applicant households for the
4 food stamp program there shall be no discrimination against
5 any household by reason of race, religious creed, national
6 origin, or political beliefs.

7 (d) Participating States or participating political sub-
8 divisions thereof shall not decrease welfare grants or other
9 similar aid extended to any person or persons as a conse-
10 quence of such person's or persons' participation in benefits
11 made available under the provisions of this Act or the regu-
12 lations issued pursuant to this Act.

13 (e) The State agency of each State desiring to par-
14 ticipate in the food stamp program shall submit for approval
15 a plan of operation specifying the manner in which such
16 program will be conducted within the State, the political
17 subdivisions within the State in which the State desires to
18 conduct the program, and the effective dates of participation
19 by each such political subdivision. In addition, such plan of
20 operation shall provide, among such other provisions as may
21 by regulation be required, the following: (1) the specific
22 standards to be used in determining the eligibility of appli-
23 cant households; (2) that the State agency shall undertake
24 the certification of applicant households in accordance with
25 the general procedures and personnel standards used by them

1 in the certification of applicants for benefits under the fed-
2 erally aided public assistance programs; (3) safeguards
3 which restrict the use or disclosure of information obtained
4 from applicant households to persons directly connected with
5 the administration or enforcement of the provisions of this
6 Act or the regulations issued pursuant to this Act; and
7 (4) for the submission of such reports and other information
8 as may from time to time be required.

9 (f) If the Secretary determines that in the adminis-
10 tration of the program there is a failure by a State agency to
11 comply substantially with the provisions of this Act, or with
12 the regulations issued pursuant to this Act, or with the State
13 plan of operation, he shall inform such State agency of such
14 failure and shall allow the State agency a reasonable period
15 of time for the correction of such failure. Upon the expira-
16 tion of such period, the Secretary shall direct that there be
17 no further issuance of coupons in the political subdivisions
18 where such failure has occurred until such time as satisfactory
19 corrective action has been taken.

20 DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLE-
21 SALE FOOD CONCERNS

22 SEC. 11. Any approved retail food store or wholesale
23 food concern may be disqualified from further participation
24 in the food stamp program on a finding, made as specified
25 in the regulations, that such store or concern has violated

1 any of the provisions of this Act, or of the regulations issued
2 pursuant to this Act. Such disqualification shall be for such
3 period of time as may be determined in accordance with
4 regulations issued pursuant to this Act. The action of dis-
5 qualification shall be subject to review as provided in section
6 13 of this Act.

7 DETERMINATION AND DISPOSITION OF CLAIMS

8 SEC. 12. The Secretary shall have the power to deter-
9 mine the amount of and settle and adjust any claim and to
10 compromise or deny all or part of any such claim or claims
11 arising under the provisions of this Act or the regulations
12 issued pursuant to this Act.

13 ADMINISTRATIVE AND JUDICIAL REVIEW

14 SEC. 13. Whenever—

15 (a) an application of a retail food store or wholesale
16 food concern to participate in the food stamp program is
17 denied,

18 (b) a retail food store or a wholesale food concern
19 is disqualified under the provisions of section 11 of this
20 Act, or

21 (c) all or part of any claim of a retail food store or
22 wholesale food concern is denied under the provisions of
23 section 12 of this Act, notice of such administrative
24 action to be issued to the retail food store or wholesale
25 food concern involved. Such notice shall be delivered by

1 certified mail or personal service. If such store or
2 concern is aggrieved by such action, it may, in accord-
3 ance with regulations promulgated under this Act, with-
4 in ten days of the date of delivery of such notice, file
5 a written request for an opportunity to submit informa-
6 tion in support of its position to such person or persons
7 as the regulations may designate. If such a request is
8 not made or if such store or concern fails to submit in-
9 formation in support of its position after filing a request,
10 the administrative determination shall be final. If such
11 a request is made by such store or concern, such informa-
12 tion as may be submitted by the store or concern, as
13 well as such other information as may be available, shall
14 be reviewed by the person or persons designated, who
15 shall, subject to the right of judicial review hereinafter
16 provided, make a determination which shall be final and
17 which shall take effect fifteen days after the date of
18 the delivery or service of such final notice of determina-
19 tion. If the store or concern feels aggrieved by such
20 final determination he may obtain judicial review thereof
21 by filing a complaint against the United States in the
22 United States district court for the district in which he
23 resides or is engaged in business, or in any court of record
24 of the State having competent jurisdiction, within thirty
25 days after the date of delivery or service of the final

1 notice of determination upon him, requesting the court
2 to set aside such determination. The copy of the sum-
3 mons and complaint required to be delivered to the
4 official or agency whose order is being attacked shall be
5 sent to the Secretary or such person or persons as he
6 may designate to receive service of process. The suit
7 in the United States district court or State court shall
8 be a trial de novo by the court in which the court shall
9 determine the validity of the questioned administrative
10 action in issue. If the court determines that such ad-
11 ministrative action is invalid it shall enter such judgment
12 or order as it determines is in accordance with the law
13 and the evidence. During the pendency of such judicial
14 review, or any appeal therefrom, the administrative
15 action under review shall be and remain in full force and
16 effect, unless an application to the court on not less
17 than ten days' notice, and after hearing thereon and a
18 showing of irreparable injury, the court temporarily
19 stays such administrative action pending disposition of
20 such trial or appeal.

21 VIOLATIONS AND ENFORCEMENT

22 SEC. 14. (a) Notwithstanding any other provisions of
23 this Act, the Secretary may provide for the issuance or pre-
24 sentment for redemption of coupons to such person or per-
25 sons, and at such times and in such manner, as he deems

1 necessary or appropriate to protect the interests of the
2 United States or to insure enforcement of the provisions of
3 this Act or the regulations issued pursuant to this Act.

4 (b) Whoever knowingly uses, transfers, acquires, or
5 possesses coupons in any manner not authorized by this Act
6 or the regulations issued pursuant to this Act shall, if such
7 coupons are of the value of \$100 or more, be guilty of a
8 felony and shall, upon conviction thereof, be fined not more
9 than \$10,000 or imprisoned for not more than five years, or
10 both, or, if such coupons are of a value of less than \$100,
11 shall be guilty of a misdemeanor and shall, upon conviction
12 thereof, be fined not more than \$5,000 or imprisoned for not
13 more than one year, or both.

14 (c) Whoever presents, or causes to be presented,
15 coupons for payment or redemption of the value of \$100
16 or more, knowing the same to have been received, trans-
17 ferred, or used in any manner in violation of the provisions
18 of this Act or the regulations issued pursuant to this Act
19 shall be guilty of a felony and shall, upon conviction thereof,
20 be fined not more than \$10,000 or imprisoned for not more
21 than five years, or both, or, if such coupons are of a value
22 of less than \$100, shall be guilty of a misdemeanor and shall,
23 upon conviction thereof, be fined not more than \$5,000 or
24 imprisoned for not more than one year, or both.

25 (d) Coupons issued pursuant to this Act shall be

1 deemed to be obligations of the United States within the
2 meaning of title 18, United States Code, section 8.

3 COOPERATION WITH STATE AGENCIES

4 SEC. 15. (a) Each State shall be responsible for financ-
5 ing, from funds available to the State or political sub-
6 division thereof, the costs of carrying out the administrative
7 responsibilities assigned to it under the provisions of this Act.
8 Except as provided for in subsection (b) of this section, such
9 costs shall include, but shall not be limited to, the certifica-
10 tion of households; the acceptance, storage, and protection of
11 coupons after their delivery to receiving points within the
12 States; and the issuance of such coupons to eligible house-
13 holds and the control and accounting therefor.

14 (b) The Secretary is authorized to cooperate with State
15 agencies in the certification of households which are not re-
16 ceiving any type of public assistance so as to insure the effec-
17 tive certification of such households in accordance with the
18 eligibility standards approved under the provisions of section
19 10 of this Act. Such cooperation shall include payments to
20 State agencies for part of the cost they incur in the certifica-
21 tion of such households. The amount of such payment to
22 any one State agency shall be 50 per centum of the sum of:
23 (1) the direct salary costs (including the cost of such fringe
24 benefits as are normally paid to its personnel by the State
25 agency) of the personnel used to make such interviews and

1 such postinterview field investigations as are necessary to
 2 certify the eligibility of such households, and of the immediate
 3 supervisor of such personnel, for such periods of time as they
 4 are employed in certifying the eligibility of such households;
 5 (2) travel and related costs incurred by such personnel in
 6 postinterview field investigations of such households; and
 7 (3) an amount not to exceed 25 per centum of the costs
 8 computed under (1) and (2) above.

9 APPROPRIATIONS

10 SEC. 16. (a) To carry out the provisions of this Act,
 11 there is hereby authorized to be appropriated not in excess of
 12 \$25,000,000 for the fiscal year ending June 30, 1964; not
 13 in excess of ~~\$100,000,000~~ \$75,000,000 for the fiscal year
 14 ending June 30, 1965; not in excess of ~~\$175,000,000~~ \$100,-
 15 000,000 for the fiscal year ending June 30, 1966; and not in
 16 excess of ~~\$250,000,000~~ \$200,000,000 for the fiscal year
 17 ending June 30, 1967. Such portion of any such appro-
 18 priation as may be required to pay for the value of the coupon
 19 allotments issued to eligible households which is in excess of
 20 the charges paid by such households for such allotments shall
 21 be transferred to and made a part of the separate account
 22 created under section 7 (d) of this Act.

23 ~~(b)~~ In any fiscal year, the Secretary shall limit the
 24 value of those coupons issued which is in excess of the value
 25 of coupons for which households are charged, to an amount

1 which is not in excess of the portion of the appropriation
2 for such fiscal year which is transferred to the separate
3 account under the provisions of subsection (a) of this section.

4 (b) Any State which requests to participate in the food
5 stamp program shall be required, from funds available to the
6 State or political subdivision thereof, to make reimbursement
7 payments to the United States in an amount equal to 50 per
8 centum of the value of those coupons issued to households
9 within the State which is in excess of the value of coupons for
10 which such households are charged. Such reimbursement
11 payments shall be deposited into and made a part of the sepa-
12 rate account created in section 7(d) of this Act. Such de-
13 posits shall be available, without limitation to fiscal years, for
14 the redemption of coupons: Provided, That, in any fiscal
15 year, the Secretary shall limit the value of those coupons
16 issued which is in excess of the value of coupons for which
17 households are charged to an amount which is not in excess of
18 the sum of the following: (1) the portion of the appropriation
19 for such fiscal year which is transferred to the separate ac-
20 count under the provisions of subsection (a) of this section;
21 and (2) the amount of the reimbursement payments deposited
22 by States into such separate account during such fiscal year.

23 (c) If the Secretary determines that any of the funds
24 in the separate account created under section 7(d) of this
25 Act are no longer required to carry out the provisions of this

1 Act, such portion of such funds shall be paid into the mis-
2 cellaneous receipts of the Treasury.

3 (d) Amounts expended under the authority of this Act
4 shall not be considered amounts expended for the purpose of
5 carrying out the agricultural price-support program and
6 appropriations for the purposes of this Act shall be consid-
7 ered, for the purpose of budget presentations, to relate to
8 the functions of the Government concerned with welfare.

88TH CONGRESS
2d Session

H. R. 10222

[Report No. 1228]

A BILL

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

By Mrs. SULLIVAN

MARCH 3, 1964

Referred to the Committee on Agriculture

MARCH 9, 1964

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

A BILL

TO AMEND THE ACT TO PROVIDE FOR THE REGISTRATION OF LANDS IN THE DISTRICT OF COLUMBIA, AND FOR OTHER PURPOSES, IN ORDER TO PROVIDE FOR THE REGISTRATION OF LANDS IN THE DISTRICT OF COLUMBIA, AND FOR OTHER PURPOSES.

IN THE HOUSE OF REPRESENTATIVES

January 12, 1901.

REPORT OF THE SELECT COMMITTEE ON THE DISTRICT OF COLUMBIA.

JAMES H. HANCOCK,

REPORT OF THE SELECT COMMITTEE ON THE DISTRICT OF COLUMBIA.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Mar. 20, 1964
For actions of Mar. 19, 1964
88th-2nd; No. 51

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HIGHLIGHTS:Both Houses received President's foreign aid message. House Rules Committee cleared food stamp bill. Rep. Langen urged review of policies on agricultural imports. Rep. Cleveland urged investigation of policy on wool-manufactured imports. Rep. Keith urged increased duties on textile imports. Rep. Poage criticized retail pricing and profits on beef. Sen. Keating charged USDA with being silent regarding operation of proposed wheat certificate program. Sen. Saltonstall urged early meeting for an international trade agreement on wool textile products. Sen. Young, N. Dak., and Rep. May introduced and discussed sugar bills. Rep. Gurney introduced and discussed bill to remove tariff exemption from certain citrus products imported from Virgin Islands.

SENATE

- 1. WHEAT.** Sen. Keating charged USDA with maintaining a "strategy of silence" on how the proposed wheat certificate program would operate and urged that no certificates be required on 1963 and 1964 wheat covered by existing contracts. pp. 5533-4
- 2. FOREIGN AID.** Sens. Mansfield, Humphrey, and Javits commended the President's foreign aid message (pp. 5500, 5527-33, 5536). Sen. Humphrey especially commended the proposed Executive Service Corps which would provide trained managerial manpower to the less-developed countries (pp. 5527-33). Sen. Javits urged the establishment of a new foreign aid program rather than reevaluating and overhauling the present one (p. 5536).
- 3. TEXTILES; FOREIGN TRADE.** Sen. Saltonstall requested an early meeting of governments to seek an international trade agreement on wool textiles and inserted an

article on, and the text of, the Paris Wool Conference. pp. 5475-6

4. CIVIL DEFENSE; BUILDINGS. Both Houses received from the Defense Department proposed legislation to provide for shelter in Federal structures and to authorize payment toward the construction or modification of approved public shelter space; to Armed Services Committees. pp. 5472, 5575
5. RECLAMATION. Received an Ariz. Legislature Memorial urging the enactment of legislation which would hold in abeyance the issuance of licenses or permits under the Federal Power Act to construct dams along the reach of the Colo. River between Glen Canyon Dam and Lake Mead. p. 5472
6. SOVIET ECONOMY. Sen. Proxmire stated that a Joint Economic Committee report "reveals" weaknesses within the Soviet economy, including shortages in the areas of agricultural production and animal feed. p. 5479
7. POVERTY. Sen. Proxmire commended and inserted Walter Lippmann's article, "The War on Poverty," which states that the poverty program could benefit all Americans. pp. 5483-4
8. RECREATION. Sen. Humphrey reviewed and commended the progress on recreation facilities in rural areas, mentioning the accomplishments of the Outdoor Recreation Resources Review Commission, SCS technical assistance, and ACP payments. pp. 5484-5
9. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 5500-27, 5534-5, 5539-44.

HOUSE

10. FOREIGN AID. Both Houses received the President's message on foreign aid (H. Doc. 250) in which he: Requested an authorization of \$3.4 billion for the foreign aid program for fiscal year 1965, including \$2.4 billion for economic assistance. Stated that he was appointing a general advisory committee composed of distinguished private citizens to advise him on the foreign aid program, including aid programs in individual countries. Stated that funds for educational and technical cooperation would be used to help start schools, agricultural experiment stations, credit services, and dozens of other institutions in selected countries to raise the ability of less fortunate peoples to meet their own needs. Stated that during the past year the first rural electrification surveys, conducted by the National Rural Electric Cooperative Association under contract to AID, were completed and the first rural electrification loan in Nicaragua - was approved. Stated that, wherever possible, we will speed up the transition from reliance on aid to self-support, and that more must be done to utilize private initiative in the United States, and in the developing countries, to promote economic development abroad. (pp. 5545-7, 5569-71) Several Representatives commended, and others criticized, the message (pp. 5547-9, 5550, 5551, 5567-8).
11. FOOD STAMP PLAN. The Daily Digest states that the Rules Committee "granted an open rule, with 4 hours of debate, on H. R. 10222, the food stamp bill." p. D217
12. LANDS. The Interior and Insular Affairs Committee reported the following bill, H. R. 5159, with amendment, to direct that certain lands exclusively administered by Interior be managed under principles of multiple use and to produce a sustained yield of products and services (H. Rept. 1243). H. R. 5498, with

House will further consider H.R. 5838, amending the Organic Act of the National Bureau of Standards.

Committee Meetings

WATERSHED—FLOOD PREVENTION

Committee on Agriculture: Subcommittee on Conservation and Credit held a hearing on H.R. 9695 and 9938, to amend the Watershed Protection and Flood Prevention Act. Heard testimony from Department of Agriculture officials.

SELFRIDGE AIR FORCE BASE, MICH.

Committee on Armed Services: Subcommittee on Special Investigations held a hearing regarding deterioration of runway facilities at Selfridge Air Force Base, Mich., and heard testimony from departmental and public witnesses.

WAR ON POVERTY

Committee on Education and Labor: Ad Hoc Subcommittee on Poverty War Program held a hearing on H.R. 10440, the Economic Opportunity Act of 1964. Heard testimony from Secretary of Labor W. Willard Wirtz, Secretary of Commerce Luther H. Hodges; and William L. Batt, Jr., Administrator, Area Redevelopment Administration.

OVERTIME

Committee on Education and Labor: Select Subcommittee on Labor held a hearing on H.R. 9802, to increase employment by providing a higher penalty rate for overtime work, and heard testimony from public witnesses.

SUBCOMMITTEE BUSINESS

Committee on Education and Labor: General Subcommittee on Labor met in executive session on pending business. No announcements were made.

SATELLITE COMMUNICATIONS

Committee on Government Operations: Subcommittee on Military Operations met on a review of Government activities in the field of satellite communication. Heard testimony from Lt. Gen. Alfred G. Starbird, Director, Defense Communication Agency; and a public witness.

NATIONAL PARKS

Committee on Interior and Insular Affairs: Subcommittee on National Parks held a hearing on H.R. 5872, relating to the establishment of commercial policies in the areas administered by the National Park Service; and H.R. 5783, and related bills, regarding national

park facilities. Heard testimony from departmental witnesses.

RADIO TELEPHONES

Committee on Interstate and Foreign Commerce: Subcommittee on Communications and Power held a hearing on H.R. 8508, and related bills, regarding radio telephones on cargo ships between Hawaiian ports. Heard testimony from public witnesses. Adjourned subject to call of the Chair.

COMMERCE-FINANCE

Committee on Interstate and Foreign Commerce: Subcommittee on Commerce and Finance met in executive session on pending business. No announcements were made.

IMMIGRATION

Committee on the Judiciary: Subcommittee No. 1 took testimony and acted on several private immigration bills.

CONGRESSIONAL DISTRICTS

Committee on the Judiciary: Subcommittee No. 5 held a hearing on H.R. 2836, and related bills, to solve the problem of formation of congressional districts. Testimony was given by Representatives Sickles, Purcell, Roberts of Texas, Pool; and public witnesses.

NASA AUTHORIZATION

Committee on Rules: Granted an open rule, with 3 hours of debate, on H.R. 10456, the National Aeronautics and Space Administration authorization bill.

Witnesses on the request for a rule were Representatives Miller of California and Fulton.

FOOD STAMP

Committee on Rules: Granted an open rule, with 4 hours of debate, on H.R. 10222, the food stamp bill.

Witnesses on the request for a rule were Representatives Belcher, May, Quie, Findley, Latta, Harvey, Sullivan, and Cooley.

CHEMICAL PROPULSION

Committee on Science and Astronautics: Subcommittee on National Aeronautics and Space Administration Oversight held a hearing on chemical propulsion. Testimony was given by a departmental official, and public witnesses.

COMMITTEE BUSINESS

Committee on Ways and Means: Met in executive session on pending business. No announcements were made.

BILLS SIGNED BY THE PRESIDENT

New Laws

(For last listing of public laws, see DIGEST, p. D214,
March 18, 1964)

H.R. 10051, to extend the time for filing report on a study of taxation of interstate commerce by States. Signed March 18, 1964 (P.L. 88-286).

S. 1964, increasing from \$2 to \$5 the fee for learners' permits in the D.C. Signed March 18, 1964 (P.L. 88-287).

COMMITTEE MEETINGS FOR FRIDAY, MARCH 20

(All meetings are open unless otherwise designated)

Senate

Committee on Appropriations, subcommittee, on fiscal 1965 budget estimates for the Department of Agriculture, and related agencies, 10 a.m., 1114 New Senate Office Building.

Committee on the District of Columbia, Subcommittee on Business and Commerce, on S. 2077, amending the laws regulating insurance rates in the D.C., 9 a.m., 6226 New Senate Office Building.

Committee on Finance, on Mansfield amendment No. 465, restricting importation of certain meats into the U.S., 10 a.m., 2221 New Senate Office Building.

House

Committee on Appropriations, full committee, executive, on Treasury-Post Office and Executive Office appropriations bill for 1965, 10 a.m., H-140 U.S. Capitol Building.

Subcommittee on the Legislative, executive, 1 p.m., H-130 U.S. Capitol Building.

Committee on Armed Services, Special Subcommittee on Investigations, on deterioration of runway facilities at Selfridge Air Force Base, Mich., 10 a.m., 304 Cannon House Office Building.

Committee on Education and Labor, Ad Hoc Subcommittee on the Poverty War Program, on the Economic Opportunity Act of 1964, 10 a.m., 429 Cannon House Office Building.

General Subcommittee on Labor, executive, on wage and hour regulations under the Fair Labor Standards Act, 10 a.m., 428 Cannon House Office Building.

Select Subcommittee on Labor, on H.R. 9802, to increase employment by a higher penalty rate for overtime work, 9:30 a.m., caucus room, Cannon House Office Building.

Committee on Interior and Insular Affairs, Subcommittee on National Parks, executive, on H.R. 5872, 5886, 5873, 5887, and 5796, national park measures, 9:45 a.m., 1324 Longworth House Office Building.



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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House Rules Committee formally cleared food stamp bill. House passed Treasury-Post Office appropriation bill. Reps. Hoeven and Curtis opposed acceptance of Senate passed cotton-wheat bill. Rep. Fraser complimented nomination of Jacobson to be Assistant Secretary of Agriculture. Sen. Yarborough urged enactment of legislation to control meat imports. Sen. Aiken inserted Sen. Mundt's NRECA speech reviewing proposals for additional congressional controls over REA program. Sen. Hartke introduced and discussed bill to provide supplemental appropriation for watershed planning. Rep. Cooley urged passage of tobacco research legislation and criticized "wild accusations" of "deal" between AMA and Tobacco Institute.

HOUSE

1. FOOD STAMP PLAN. The Rules Committee reported a resolution for consideration of H. R. 10222, the food stamp bill. p. ~~5967~~ 5906

The bill includes provisions as follows: Authorizes the Secretary of Agriculture to formulate and administer a food stamp program under which, at the request of an appropriate State agency, eligible households within the State shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment. Provides that coupons received by eligible households shall be used only to purchase designed food from retail food stores approved for participation in the program. Authorizes each State to establish standards, subject to the approval of the Secretary, to determine the eligibility of applicant households to participate in the program. Provides that households shall be charged such portion of the face value of the coupon allotment issued to them as is determined to be equivalent to their normal expenditures for food, and that funds derived from the charges made for the coupon allotment shall be deposited in a separate

account in the U. S. Treasury for redemption of the coupons. Provides that coupons accepted by retail food stores shall be redeemed through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department. Authorizes the appropriation of not to exceed \$25 million for fiscal year 1964, \$75 million for fiscal year 1965, \$100 million for fiscal year 1966, and \$200 million for fiscal year 1967, to carry out this program. Requires participating States to pay to the Federal Government 50 percent of the value of free food stamps issued to participants within the State.

2. APPROPRIATIONS. Passed, 326 to 20, with amendment H. R. 10532, the Treasury-Post Office and Executive Office appropriation bill for 1965. This bill includes funds for the Budget Bureau, the Council of Economic Advisers, and the Advisory Commission on Intergovernmental Relations. pp. 5906-35
3. COTTON; WHEAT. Rep. Hoeven spoke against House agreement to the Senate-passed version of the cotton-wheat bill, in reply to Secretary Freeman's letter requesting its passage (pp. 5935-6). Rep. Curtis inserted his testimony before the Rules Committee also opposing passage of the cotton-wheat bill in its present form (pp. 5941-2).
4. ASSISTANT SECRETARY. Rep. Fraser commended the President's nomination of Mrs. Jacobson as Assistant Secretary of Agriculture. pp. 5958-9
5. FOREIGN TRADE. Rep. Dent urged the making of arrangements for an international conference on wool and urged reductions in textile imports. pp. 5952-7
The Ways and Means Committee reported with amendment H. R. 2652, to provide for duty-free importation of certain wools for use in the manufacturing of polishing felts (H. Rept. 1270); H. R. 4198, to provide for the free importation of soluble and instant coffee (H. Rept. 1272); H. R. 8268, to prevent double taxation of certain tobacco products exported and returned unchanged to the U. S. and subsequently reprocessed in the manufacturer's bonded factory (H. Rept. 1275); and H. R. 8975, to provide for the tariff classification of certain particleboard (H. Rept. 1277); and without amendment H. R. 8461, to permit the manufacture in bonded manufacturing warehouses of cigars made of tobacco imported from more than one foreign country (H. Rept. 1276). pp. 5967-8
Rep. Lipscomb complimented the Commerce Department's decision to continue publication of the daily list of export licenses approved by that Department. p. 5905
The Ways and Means Committee voted to report (but did not actually report) H. R. 10463, to continue through June 30, 1965, the existing suspension of duties for metal scrap. p. D231
6. STATION TRANSFERS. The Ways and Means Committee voted to report (but did not actually report) H. R. 10465, to extend for a temporary period the free importation of personal and household effects brought into the U. S. under Government orders. p. D231
7. CREDIT PROGRAMS. Rep. Gonzalez inserted an article containing Rep. Patman's statement that the Banking and Currency Committee is making a survey of Federal credit programs, which is to be published, and including an editor's note on the publication of a survey of Government lending activities by the Journal of the American Bankers Association. pp. 5957-8
8. ROADS. The Public Works Committee voted to report (but did not actually report) with amendment H. R. 10503, to authorize appropriations for 1966 and 1967 for construction under the Federal-Aid Highway Act, including forest roads and trails. p. D231

tion of the Committee on Interior and Insular Affairs be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DAILY LIST OF EXPORT LICENSES APPROVED BY DEPARTMENT OF COMMERCE

(Mr. LIPSCOMB asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LIPSCOMB. Mr. Speaker, it is encouraging to be able to report that the Department of Commerce has decided that it will continue publication of the daily list of export licenses approved by the Department.

News of this decision is contained in a letter I received from Secretary of Commerce Hodges which was delivered to my office late yesterday afternoon, March 23, 1964.

The daily lists provide day-to-day information on export licenses issued by the Commerce Department outlining the type of commodities, their value, and the destination of exports authorized, including shipments to Communist nations. The Department had announced in February that as of April 1, 1964, it would discontinue their publication.

When that move was announced I wrote to the President and to the Secretary of Commerce urging that the publication be continued because I believe it is important for the Congress and the public to have access to such information on a timely basis, which would be impossible without a publication of this sort. I also introduced a resolution in the House to require that the daily export license list be continued.

According to the Secretary's letter the decision at this time calls for continuation of the daily list of approved export licenses at least for another year. While I know of no substantial reason why the decision could not have been to the effect that the daily lists will be continued indefinitely, at least we are assured that they will be available for the year and I am confident that sound reasons for their continuance will still exist at that time.

SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF LABOR, FISCAL YEAR 1964

Mr. FOGARTY. Mr. Speaker, in accordance with the unanimous consent granted yesterday, I call up House Joint Resolution 962, making a supplemental appropriation for the fiscal year ending June 30, 1964, for the Department of Labor, and for other purposes, and ask unanimous consent that the joint resolution be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1964, namely:

DEPARTMENT OF LABOR

Bureau of Employment Security

Unemployment Compensation for Federal Employees and ex-Servicemen

For an additional amount for "Unemployment compensation for Federal employees and ex-servicemen", \$42,000,000.

Mr. FOGARTY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this joint resolution will provide a deficiency appropriation of \$42 million for unemployment compensation for Federal employees and ex-servicemen.

The original result of the Department of Labor for 1964 was \$119 million. This request was reduced to \$110 million by the Congress. Late in calendar year 1963 it became obvious that even the original request of the Department was somewhat on the low side and that additional funds would be required to carry the program for the full fiscal year. On January 21, we received a request for \$30 million. This request appears in House Document 203.

When the request for an additional \$30 million was received there did not appear to be any great urgency, however, we proceeded to consider this request in a reasonably prompt manner and held hearings February 13. We were a little surprised that the Department of Labor presented revised justifications and testified that the then current outlook was that at least \$42 million would be required rather than \$30 million. We were told that the Bureau of the Budget had approved their testifying to the larger amount and that the formal documents to the Speaker of the House requesting this larger amount would be forthcoming either later that day, February 13. As you all know, this request was not actually received until about 1 o'clock yesterday afternoon.

Whether this long delay in the submission of this request is due to the not uncommon fumbling and indecision on the part of the Bureau of the Budget or was for some particular purpose, I do not know. This is really beside the point anyway. The facts of the matter are that about half of the States have completely exhausted their funds and the rest will have exhausted theirs by the end of this week. This means that if we do not appropriate funds at once there will be approximately 100,000 Federal employees and ex-servicemen who have not been able to find jobs, and who will not get the benefits of unemployment insurance which they are entitled to under the law. We have checked the amount of this request and as near as we can determine, if it is in error, it is because it is too low.

Under these circumstances, Mr. Speaker, I do not think there is the slightest question that we should pass this resolution and hope that the other body takes as prompt action as we have.

(Mr. FOGARTY asked and was given permission to revise and extend his remarks.)

Mr. LAIRD. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the gentleman from Rhode Island [Mr. FOGARTY] has given the House a very factual and I must say restrained statement explaining the situation with which we are faced. I say restrained because I know that he cannot be happy with having to come to this House a second time this session and ask unanimous consent to circumvent our rules in order to take care of an emergency which is occasioned solely by inexcusable delays in the executive branch. As the gentleman from Rhode Island stated, we held hearings on February 13 at which hearings we were formally advised that the best estimates of the Department of Labor were that \$42 million was needed and that a request for this amount would formally be presented to the Speaker of the House later that same day. Now, let us take a look at the timing of this actual submission. The Appropriations Committee met last Friday. This meeting has been public information since January 16. The chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON] had also announced publicly that the next meeting of the Appropriations Committee would be on April 7. When was this request sent to the House? Immediately after our last full committee meeting.

Now, Mr. Speaker, I, of course, cannot prove that this timing was a deliberate attempt to embarrass the Committee on Appropriations and the House, but certainly those responsible for this timing knew full well that we were being placed in the position of either having to circumvent our rules or deprive unemployed ex-servicemen and ex-Federal employees of compensation due them under the law.

Of course, we can all well understand why the executive branch would not like to send up this additional supplemental. It must be rather embarrassing to talk of our booming economy on one side and on the other have to ask for more and more money because these people cannot find jobs and the U.S. Employment Service cannot find jobs for them. One really cannot blame the President too much for not wanting to send up a request for \$42 million on February 13 when he had sent up a request for \$30 million on January 21. That would not fit in very well with the concept of a booming economy.

Mr. Speaker, to make matters even worse, it now appears that the \$42 million is not going to be sufficient to carry this program through the full fiscal year. Things appear to be getting worse instead of better. We were told that just the prospect of the tax cut was resulting in increased economic activity. And most of us thought that this shot in the arm was going to help some and probably would not wear off until after election. When we look at what is happening in this program, however, one begins to wonder. The total of payments during the full month of February was \$15,579,-

415. We are advised that the total of payments during the first 2 weeks of March was \$8,458,000, or almost 10 percent above the February rate. With 14 weeks left in this fiscal year it does not take much of a mathematician to see that \$42 million is a very optimistic estimate indeed.

Mr. Speaker, we have no course open to us but to pass this joint resolution. I just hope that those who have been so critical of Congress because it, at times, acts in a deliberate manner as was intended by those who framed our Constitution, will take note of the relative speed with which the legislative and the executive can act when there is urgent business of the Nation to be taken care of.

(Mr. LAIRD asked and was given permission to revise and extend his remarks.)

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Iowa makes the point of order that a quorum is not present. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 82]

Adair	Evins	Morse
Alger	Flynt	O'Brien, Ill.
Aspinall	Forrester	Osmer
Barry	Gill	Pilcher
Bass	Grant	Powell
Bolton	Gray	Rains
Frances P. Bolton	Hagan, Ga.	Reid, N.Y.
Oliver P. Brock	Harsha	Rogers, Colo.
Brown, Calif.	Harvey, Ind.	Roosevelt
Buckley	Hawkins	Schadeberg
Burkhalter	Herlong	Selden
Burleson	Hoffman	Sheppard
Celler	Jarman	Staebler
Chelf	Jones, Ala.	Thomas
Corbett	Jones, Mo.	Udall
Cramer	Kee	Ullman
Diggs	King, Calif.	Utt
Dorn	Kluczynski	Van Pelt
Dowdy	Knox	Vinson
Elliott	Martin, Mass.	Williams
	Meador	Wilson, Ind.
	Morrison	Winstead

The SPEAKER. On this rolloall 368 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REPORT OF A COMMITTEE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 662, Rept. No. 1523) which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among

economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TREASURY CASH ROOM RUNS OUT OF KENNEDY HALF DOLLARS IN 2 HOURS' TIME

(Mrs. SULLIVAN asked and was given permission to address the House for 1 minute.)

Mrs. SULLIVAN. Mr. Speaker, I have just learned that the cash room of the Treasury Department sold 60,000 John F. Kennedy half-dollars this morning between 8:30 and 10:30 a.m. to about 1,500 people, most of them buying the maximum \$20 worth, or 40 coins. Many hundreds of people who stood in line for coins were turned away when the supply was exhausted.

Mr. Speaker, this is exactly what we were warning would happen if the Treasury insisted upon selling its supply in bulk quantities, after having officially asked the commercial banks of the country to limit the sale of the new coins to a few per person.

Until Secretary Dillon testified on another matter before the Banking and Currency Committee yesterday morning, and I asked him some questions about the plans for Treasury sale of the coins, the limit the Treasury had intended to observe on its direct sales to the public was \$100 worth per person, or 200 coins. Under that unrealistic limit, the Treasury supply would have been exhausted in less than a half hour instead of 2 hours. Only 300 people rather than 1,500 would have been able to obtain the new coin if all had bought the maximum, as I am sure most of them would have done.

The Secretary told us yesterday, in answer to my questions, that this coin will be minted in quantity for many years and will not be a scarce collector's item. We all realize that. But millions of Americans who loved John F. Kennedy want—and have a right to demand—one or several of the coins honoring his memory. They want a Kennedy coin now—not just after dealers and coin investors and speculators have gotten bulk quantities first. Now it is up to the banks to show a better appreciation of the importance of limiting quantities than the Treasury Department did this morning.

TREASURY, POST OFFICE, AND EXECUTIVE OFFICE APPROPRIATION BILL, 1965

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State

of the Union for the consideration of the bill (H.R. 10532) making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1965, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 3 hours, one-half of the time to be controlled by the gentleman from New York [Mr. PILLION] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10532, with Mr. BLATNIK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Virginia [Mr. GARY] will be recognized for 1½ hours and the gentleman from New York [Mr. PILLION] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I yield myself such time as I may require.

(Mr. GARY asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, we are considering today one of the largest appropriation bills that comes before this body. The bill carries a total appropriation of \$17,400 million. Of this amount, however, \$11,200 million represents permanent appropriations over which our committee has no control.

The largest item of the permanent appropriations is interest on the public debt which for fiscal year 1965 is estimated at \$11 billion—an increase of \$400 million over 1964.

In passing, Mr. Chairman, I would like to call attention to the fact that the interest on the Federal debt alone today amounts to more than the entire expenditure of the Federal Government in 1940. This interest is on a public debt which as of March 18, 1964, last Wednesday, amounted to \$310,468,292,132.75.

I think it is well to call attention to the fact at the beginning of our consideration of appropriation bills that the Federal budget has been balanced only six times during the last 33 years; and that the estimated deficit for the present fiscal year is \$10 billion. The estimate for fiscal year 1965, concerning July 1, next, is \$4,900 million.

Mr. Chairman, for a while it was the custom to invite the Director of the Budget and the Secretary of the Treasury to appear before the full Committee on Appropriations each year for the purpose of receiving the budget.

That procedure was discontinued about 2 or 3 years ago, but as a substitute our committee has adopted the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Apr. 8, 1964
For actions of Apr. 7, 1964
88th-2nd: No. 65

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HIGHLIGHTS: House debated food stamp bill. Several Representatives debated merits of cotton-wheat bill. Rep. Saylor urged enactment of wilderness bill. Rep. Aspinall spoke in support of establishment of Public Land Law Review Commission. Sen. McGovern defended cotton-wheat bill against charge it had not received adequate hearing. Sen. Johnston urged USDA aid for peach growers. Sen. Pastore charged discrimination in local school lunch program.

HOUSE

1. FOOD STAMP PLAN. Debated H. R. 10222, to authorize this Department to formulate and administer a food stamp program. See Digest 55 for a summary of the provisions of this bill. pp. 6905-40, 6950-1
2. LEGISLATIVE BRANCH APPROPRIATION BILL, 1965. The Appropriations Committee reported this bill, H. R. 10723 (H. Rept. 1307). p. 6964
3. CONTRACTS. The Ways and Means Committee voted to report (but did not actually report) with amendment H. R. 10669, to extend the Renegotiation Act. p. D261
4. COTTON; WHEAT. Several Representatives debated the merits of H. R. 6196, the cotton-wheat bill, including the possible effects of the wheat provisions on bread prices and on production by small wheatgrowers. pp. 6956-9
Rep. Hoeven predicted that if the cotton-wheat bill is enacted "the retail price of bread, cookies, cake, macaroni, spaghetti, and the host of other wheat products that Americans consume will rise substantially," and inserted

numerous letters in support of his position. pp. 6959-63

Rep. Findley urged defeat of the cotton-wheat bill, contending that it would have a harmful effect on the small wheat farmer. pp. 6917-8

5. PUBLIC LANDS; FORESTRY. Rep. Aspinall spoke in support of enactment of H. R. 8070, to provide for the establishment of a Public Land Law Review Commission, and inserted an address by Assistant Secretary of the Interior Carver in support of the bill. pp. 6940-2

Rep. Saylor commended the announcement that the House Interior and Insular Affairs Committee had scheduled hearings on bills to provide for the preservation of wilderness areas and pledged his cooperation in the enactment of such legislation. p. 6947

6. POVERTY. Rep. Clausen inserted an interview with Rep. Frelinghuysen on the Republican attitude toward the poverty program and stating that the "broad Republican approach to the poverty problem is twofold: Promote the general economy by strengthening confidence, then focus your effort on areas where the problems are most stubborn." p. 6950
7. WATER RIGHTS. Rep. Clausen inserted an editorial in support of his bill "to protect the water rights of individuals, irrigation districts, communities, counties, and States." p. 6950
8. RECORDS MANAGEMENT. Rep. Olsen inserted his address to the Interagency Records Administration Conference urging improved records management and reduced paperwork in the Federal agencies. pp. 6942-4
9. LEGISLATIVE PROGRAM. Rep. Albert stated that the cotton-wheat bill will be considered immediately after disposition of the food stamp bill. p. 6905

SENATE

10. COTTON; WHEAT. Sen. McGovern defended the House Agriculture Committee's consideration of the wheat provisions of the cotton-wheat bill and inserted an advertisement estimating the effect of the House vote "tomorrow" on wheat prices. p. 6877
11. PEACHES. Sen. Johnston urged and inserted a S. C. legislative resolution urging USDA to give financial assistance to the peach growers of S.C. pp. 6895-6
12. WATER. Sen. Metcalf inserted letter defending various dam projects in Mont. against the charge that their construction would remove a great deal of farm and timber lands from production. pp. 6891-5
- Sen. Kuchel submitted an amendment to S. 1658, to authorize, construct, operate, and maintain the Central Arizona project, Ariz.-N.M.; which would provide that this proposed project would be a junior project if water shortages occur in the area. p. 6898
13. AREA REDEVELOPMENT. Sen. Proxmire defended ARA's loan for a hardboard plant in Superior, Wisc. pp. 6877-8
14. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill (pp. 6825-6, 6831-73, 6878-90). Several Senators debated the provision which would allow stoppage of federal-aid to States if they practice discrimination (pp. 6835-48, 6857-60, 6881-4). Sen. Pastore charged discrimination in some local school lunch programs (pp. 6835-6). Sen. Pastore stated that the federal-aid pro-

Employee and period	Amount
Miss Grace Smith, May 2, 1959–March 4, 1961	\$341.77
Mrs. Josephine B. Nugent, April 2, 1960–September 17, 1960	246.00
Mrs. Ann L. Metzgar, March 7, 1959–March 18, 1961	1,132.80
Mrs. Ruth F. Scott, April 1, 1960–March 4, 1961	264.24

In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each person named in the first section, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the claim of the United States for refund of the amount specified in the first section. No part of the amount appropriated in this Act for the payment of any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 2, line 15, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. KYL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 92]

Abbott	Edwards	Michel
Ashley	Elliott	Miller, Calif.
Avery	Flynt	Minshall
Baring	Glenn	Murray
Blatnik	Grabowski	O'Brien, Ill.
Bray	Hébert	O'Hara, Mich.
Brock	Jennings	O'Konski
Buckley	Jones, Ala.	Powell
Burleson	Karth	Rains
Burton, Utah	Kee	Rogers, Tex.
Dawson	Kilburn	Short
Derwinski	Leggett	Staebler
Diggs	Lloyd	Wallhauser
Dowdy	Martin, Calif.	

The SPEAKER. On this rollcall 390 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOOR OF MEETING ON TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House

adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, I think it might be well for me under my reservation to say that this arrangement to come in at 11 o'clock tomorrow has been discussed between us and among us. It contemplates finishing general debate on the food stamp bill today and the reading of the first section, at which point the Committee would rise and we would then be ready tomorrow upon convening at 11 o'clock to begin considering the bill under the 5-minute rule.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman has correctly stated the understanding, and I trust there will be no objection to the request.

Mr. HALLECK. May I inquire of the majority leader under my reservation whether the gentleman can tell us at this time what might be the time tomorrow afternoon for the recess under the unanimous-consent concession that will be made?

Mr. ALBERT. If the gentleman will yield further, the Chair will make the specific announcement later.

I might advise Members that we plan to adopt a motion of adjournment out of respect to the late General MacArthur this evening. As for the time of the recess tomorrow I cannot give the gentleman the exact information, but I understand we will adjourn from about 2:30 to 4 o'clock.

Mr. HALLECK. I did not mean to press the matter. However, a number of Members have approached me with reference to the same.

Mr. ALBERT. If the gentleman will yield further, I think that is approximately correct.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. FULTON of Pennsylvania. Mr. Speaker, reserving the right to object, how many amendments will there be on this bill? I would like to know if I am going to have to come in at an earlier hour tomorrow. Otherwise I will have to object.

Mr. ALBERT. If the gentleman will yield, I am not able at this time to answer that question. It is impossible to answer that question at this time.

Mr. FULTON of Pennsylvania. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. WILLIAMS. Mr. Speaker, further reserving the right to object, will the gentleman advise us whether it is still the plan of the leadership to call up the cotton bill this week?

Mr. ALBERT. If the gentleman will yield, it is, immediately following this bill.

Mr. WILLIAMS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

The Chair would like to announce that the Members of the House will proceed from the House Chamber to the rotunda at 3 p.m., Wednesday, to attend the lying-in-state ceremonies for the late General of the Army Douglas MacArthur.

The Chair also desires to state in connection with the inquiry made by the distinguished minority leader and the distinguished majority leader that the probability of the time of recess, under the impression of the Chair at the present time, is that it will be at about 2:30 and then probably the House will reconvene at about 4 o'clock.

FOOD STAMP ACT OF 1964

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 662 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes of the time to the gentleman from Ohio [Mr. Brown] and at this time yield myself such time as I may consume.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, House Resolution 662 provides for consideration of H.R. 10222, a bill to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes. The resolution provides an open rule with 4 hours of general debate.

The purpose of H.R. 10222 is to bring under congressional control and enact into law the rules under which food stamp programs are to be conducted in local areas throughout the country.

Under the provisions of the bill, the initiative and the request for establishment of a food stamp program in any area must come from the agency responsible for administering public assistance programs in the State in which the area is located. That application must include a plan of operation specifying the manner in which the program will be conducted and other relevant data.

Each State is responsible for financing, from funds available to the State or political subdivision, the costs of administering the food stamp program in the local area. These include: costs of certifying participant households, including interviews and investigations; the handling, storage, and protection of coupons after their delivery to receiving points within the States; the issuance of coupons to eligible households; and the control, accounting, and reporting involved in operation of the program. In order to maintain close supervision over the certifying of households which are not on public assistance rolls, the Federal Government will pay part of the cost of this certification. Since May 1961 food stamp programs have been in operation in several local areas—now numbering 43—under regulations issued by the Secretary of Agriculture pursuant to the general authority of section 32 of Public Law 320, 74th Congress. The experience of most of these areas is that the administrative costs to the State and local area are considerably higher than under a direct distribution program.

The Secretary of Agriculture is the judge as to whether or not the State's proposed plan of operations, conditions of eligibility, et cetera, are satisfactory. If he finds that they are, he is required to establish the requested program in the designated area if funds are available to do so.

The cost of the program is estimated to be about \$360 million a year.

Mr. Speaker, I urge the adoption of House Resolution 662.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Indiana has explained, this resolution makes in order under an open rule with 4 hours of general debate the bill H.R. 10222, the so-called Food Stamp Act of 1964.

The purpose of the bill is labeled "To strengthen the agricultural economy, to help achieve a fuller and more effective use of food abundance."

Of course, in my opinion and in my view that is a complete misrepresentation of what this legislation will do.

This resolution is not designed, in my opinion, or in the opinion of 16 out of the 34 members of the Committee on Agriculture, to help meet the agricultural farm surplus situation but, instead, is

designed to be part of a new welfare program.

If I may speak frankly, as I always attempt and try to do, perhaps the legislation is before us because of another reason. I am not unmindful of the fact that the chairman of the great Committee on Agriculture is alleged to have said that H.R. 10222, the food stamp bill, was designed as a sweetener for the purpose of getting support from the Members of Congress from the larger populated areas of the country, the big cities, and so forth, in return for their support of the so-called administration-sponsored cotton-wheat farm bill which will be before us shortly. I was not present when the alleged statement was made, but I presume the news report was correct.

The resolution that has been reported by the Rules Committee bypasses the usual procedures of the House. It would make in order, upon the adoption of that resolution, the taking from the Speaker's table of the House cotton bill and agreeing to the Senate amendments. The Senate amendments add a complete new agricultural bill dealing with wheat plantings, the control and the prices of wheat, and also dairy products and some other matters as well.

So that in fact and substance the Members of the House of Representatives, 435 representatives of the American people—and remember, all legislation starts off, "We the people in Congress assembled"—435 Members of the House of Representatives in Congress assembled would, by the adoption of this resolution that will be called up soon after this bill is disposed of, lose their right even to discuss, except for 30 minutes, the proposed wheat bill added on as a rider, in the Senate. The wheat program affects many districts and many farmers in this country. Like the members of the German Reichstag under Hitler, we will be called upon to say "Ja" or "Nein," and that will be our only response—no opportunity will be given to debate the provisions of that part of the wheat program or the other programs in the Senate amendment, no opportunity will be given to offer amendments or to consider them and vote on them, no opportunity will be given to protect your own districts. That is all part of the deal, if you please, if I can speak frankly and plainly: "We will vote for the food stamp bill, you vote for the cotton-wheat bill." "We will give you the food stamp program as a part of the welfare activity of this Nation." But it will not help the problem of agricultural surpluses, because actually it will prove to be a detriment as far as that is concerned—"We will give you food stamps to distribute, in the large cities especially, through your welfare agencies, if you will vote for the cotton bill, for the administration sponsored wheat program, and for the other farm legislation that was added on as a rider in the other body."

You will gag yourselves if you give up your own rights as Members of the House to debate and to discuss important farm legislation.

How far afield are we going to go in our parliamentary processes? What is happening to this country and to our

system of government that the people's representatives assembled here are going to be prohibited, unless they speak out against the resolution, from expressing their will and properly representing their own people on important farm legislation, and to be prohibited from having the opportunity to voice their views and opinions and to offer amendments and to suggest changes in a program? What sort of state have we reached in this country? What has happened to our system of government and our parliamentary system which is so precious to us?

For that reason, I think it is a mistake to have before us at this time the bill, H.R. 10222.

I want to speak, if I may, for just a minute or two about this bill. We had long hearings in the Committee on Rules on the bill. I am not sure that anybody, including members of the committee who presented the bill, understand fully just what it will do or what may or may not be done under its provisions. At least they could not explain it and they could not answer all the questions that were asked. There has been a pilot plan used in some areas; and different reports have been received.

Under the provisions of this bill, as explained before the Committee on Rules, if a recipient is to receive food stamps, the State or local area or political subdivision, as the gentleman from Indiana explained, must request to participate in the program. If such a request is made that will be the only program that will be in effect in that State or area or political subdivision. An area cannot have both the direct distribution and food stamp program. If you have the food stamp program food stamps are distributed or sold by these agencies or representatives thereof for cash, often at a discount, to be paid for from funds given by the local or State welfare agency to the recipient; or perhaps earned by him or her through some side work. The recipients can go and buy with their food stamps what they may want in the way of food whether it be the basic food commodities now in surplus that the Government now owns or whether it be some other kind of food, as has been explained, that will enhance the diet or perhaps be more attractive, such as stuffed olives or however one might desire to make their diet more enticing.

But in that same area a person could not go out and get surplus foods, as is now possible under the direct distribution program. Those surplus foods have been distributed and are being distributed in many sections of the country free of charge, from Government surpluses.

In any depressed area or any part of the country where people may be hungry, it is now possible to get all the surplus commodities wanted to feed the hungry, and there are all kinds of farm surplus commodities available.

Everyone is against poverty. Everyone is against starvation. Everyone wants to help the needy. We have spent billions of dollars—not hundreds of millions of dollars, but actually billions of dollars—in the distribution of farm sur-

pluses and foodstuffs to the needy people of this country, and to some who have not been quite so needy, by the way. We have done that.

Under the bill, as I understand it—and according to the testimony before the Rules Committee—Members of Congress or officials in local communities may face a difficult choice of deciding whether it is best to embark upon a food stamp program or to continue under the direct distribution program under which all the basic food commodities owned by the Federal Government, such as cornmeal, wheat, milk, dried eggs, butter, and about everything else we can name including even, as I understand it, many meat products are now being furnished.

Which will it be? Will we go along with those who have funds with which to obtain, directly from a welfare department or in any other way, these so-called food stamps, or will we go along with those who may be hungry and without any funds whatsoever, so destitute that they must depend on the other kinds of food? Shall we stop one or the other?

We tried out this same kind of food stamp program, or something quite similar, in the old days; I believe from 1939 to 1943. We developed that then. Rather peculiarly, that was a distribution of surplus foods through the food stamp program. There were blue stamps in those days with which people used to buy things.

There was so much scandal and so much corruption that finally the whole program was dropped. Later we embarked on a program of granting or giving to local agencies, under local control and State control, surplus farm products out of the Government's granaries. Those food products were given to the needy people of the Nation.

No Secretary of Agriculture after that time ever tried to reinstitute the food stamp plan.

There are those who will tell us that this is the one way to meet the problem of the needy. I point out that the estimated costs of this program from fiscal year 1964 through fiscal year 1967 is \$400 million.

Now, that is the estimate made by the sponsors of the program. Other estimates on a nationwide food stamp plan run as much as \$2 or \$3 billion a year.

May I point out to you that today when people tell you we are not doing anything to help the hungry and needy in this country, that is not true. Today, believe it or not, one out of every six Americans is already receiving food assistance from your Federal Government. They are being given food. That is one out of every six Americans. How many Americans do we have? Well, I do not know what the latest estimate is, but we will say it is 180 million. Divide that by 6, and that means 30 million Americans are already receiving food assistance. There has been some attempt by the Congress and by the Federal Government to meet its responsibility in helping those who cannot help themselves to get the food that they may need—some of them hungry and some of them who have been receiving surplus food for a long, long time,

and who may continue to receive surplus food either directly or, if they switch over to the food stamp plan as proposed here, then through that method for a long, long time to come. I think and I believe strongly that we do have a responsibility to help and to take care of those who cannot help themselves or take care of themselves. However, our main responsibility as representatives of the people in Congress assembled is to see to it that every citizen be given a fair and equal opportunity to meet his own responsibilities, and that he not be made a ward of the State or the Nation, unless it becomes absolutely necessary for him to become such a ward. Some cannot help themselves or care for themselves. We have a responsibility to help such neighbors, yes, but we have a responsibility also to see that, after all, they do all within their own power to help themselves. I do not want to see a situation arise in this country where those who are actually hungry, those who are actually needy, will no longer be able, if this food stamp plan is put into effect, to get surplus foods direct from the Government, through local agencies, local governments or State governments that are now available. I believe there is some question as to whether or not a program like this is necessary. I noticed that some 16 members of the great Committee on Agriculture have joined in a minority report. Only 18 voted to report this bill—13 members, with a 14th member concurring, joined in the minority report saying that legislation of this type was not necessary at this time, and in the end it would be of no help to those who actually need food to sustain life.

Now, we have one other matter that will come up, undoubtedly, in connection with the discussion and consideration of this bill. The Committee on Agriculture in its wisdom, by a majority vote, wrote into the bill a requirement that the States entering into any agreement to be placed under this food stamp program share half of the cost thereof. An attempt will be made to strike that out. But unless we have some State and local participation, worthwhile participation, then it will be a total handout, or practically so, on the part of the Federal Government. Of course, everybody will say, if he gets it from the great Central Government down in Washington it will not cost him anything, because one of the great myths of our time is that too many Americans believe that there is some secret source, some magic source, from which comes the money that is in the Federal Treasury; it comes out of the Treasury and flows out of Washington. And yet you and I know and every thoughtful person knows that never a penny is paid out of the Federal Treasury of the United States to any person that has not first either been paid in in the form of taxes or has been borrowed from future generations to be paid off in their time.

There are too many people who believe that if a program is completely financed by the Federal Government it should be embraced; people who, if they realized that they themselves would have to meet

a part of the responsibility of financing that program on a State or local level, might say, "Well, administer it safely and sanely and soundly and let us be sure that we eliminate waste and extravagance and corruption." Especially eliminate those bad features that were demonstrated in the food stamp program from 1939 to 1943, which was dropped because it proved to be a troublesome program and a failure as far as meeting its proposed objective was concerned.

So, Mr. Speaker, I suggest if I may that every consideration be given to the discussion of the bill in general debate, 4 hours of it; and then on tomorrow, when the bill is read for amendment, that full consideration be given to every amendment. I am hoping that if legislation of this kind should be passed—and I do not believe this bill as written should become law—but if any kind of bill of this type should be passed, it should certainly be greatly amended, greatly changed and some of the inequities and some of the unfairness in it be eliminated.

Because, after all, it does not make any difference, if you are hungry, who is given the right under this food stamp program to distribute these surplus farm commodities.

Mr. Speaker, let me close by saying this. The adoption of this bill will not help meet the farm surplus problem that confronts this Nation. It will not mean that we get rid of more of our farm surpluses that are now owned by the Federal Government. Instead it will mean that less of those farm surpluses will go now to the hungry and the needy and that more of the taxpayers' money will be spent for other articles of food that may not all be necessary to the maintenance of human life. This is purely a welfare bill and not a piece of farm legislation, notwithstanding the way it is described in its title.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Speaker, I was surprised when I picked up the minority report to see that 12 Republican members of the Committee on Agriculture had signed the report and were against this Food Stamp Act of 1964.

Mr. Speaker, of course, all of us are entitled to a difference of opinion. However, President Johnson has declared a war on poverty. He is asking the help of the Congress in waging this war on poverty. The methods of government which we have, can help correct the injustices which for one reason or another occur in our society.

I believe—and I am quoting now from memory—that over 1 million families, 1.1 million families—and when I speak of families I am not talking about individuals—have an earning power of less than \$1,000 a year. Divide that by 12 and see what a multiple-person family, a man and wife, and 1 or more children, would have to live on. It comes to about \$82 a month.

Also it is my recollection that 2.2 million families have less than \$2,000—between \$1,000 and \$2,000—a year on which to live. This is all they have with which to buy all of their food, their clothing, their medicine, their housing, and recreation, if any. Then divide \$2,000 by 12 and see what you have a month.

Then, Mr. Speaker, there is another group of families, 7 million families in round numbers, who have an income which varies between the \$2,000-a-year level and the \$4,000-a-year level. Once again, divide that by 12 and see how much it amounts to a month for a multiple-person family.

Mr. Speaker, this makes a total of 10 million or more families, representing approximately 35 million people, who are living on substandard income.

Mr. Speaker, our social experts and our economists have said that in order for a family to have just a reasonable standard of living, a multiple-person family should have at least an income of \$6,000 a year, or \$500 a month.

Mr. Speaker, if we are going to give the children an opportunity to receive and obtain the right kind of food, the right kind of clothing, the right kind of housing, and the right of the opportunity to secure the proper kind of education, we have got to look at this problem, and apply to it human compassion. This is not a new, radical philosophy of some kind.

Then, Mr. Speaker, when one considers that we are utilizing the surplus food of the Nation, food that would otherwise deteriorate in our warehouses for shipment overseas to hungry people, why should we not give the American family, the American citizen and his children, the right to participate, through this food stamp plan, in a better level of living for their families?

How can anyone with compassion in their heart and care for the people of America who are more unfortunate—and I am speaking about 10 million families and not all of them will take advantage of this program—refuse to support this program? At least, it will make more food available to them and if there is a need, they do have the opportunity to obtain a little better diet for their children.

Mr. Speaker, I say again, how can anyone with compassion in their heart, anyone who has known poverty or who has known privation, or who has observed it among his more unfortunate neighbors, turn down this type of humane legislation?

How can we turn down this type of a humane piece of legislation?

Mr. Speaker, when we have a great surplus of food in our country I cannot understand why there are people who would want to deny giving needed food to our own people when we are sending millions of dollars' worth of surplus food overseas to other unfortunates in our effort to stem the tide of communism. The tide of communism can roll up in America as it has rolled up in these other countries. Communism lives on want, privation, poverty, and despair of people.

I hear many speeches on the floor of this House against communism. Here is a tangible thing we can do to create a better environment in our American families. I hope that in the wisdom of this Congress we would not only approve this rule but approve the plan which means so much in the daily lives of so many people.

Mr. SLACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from West Virginia.

Mr. SLACK. Among the millions who will benefit from this program, and realizing they are all human beings, they are Republicans as well as Democrats, is that correct?

Mr. HOLIFIELD. Of course, it is open to all our citizens in the United States. It is not a partisan matter, yet here we see the partisan signing of a report against this plan. I have respect for the members on both sides of the Committee on Agriculture, but I hope that the rank and file of the Republican membership will not follow these 12 men in nullifying this food stamp plan which will take food out of the mouths of hungry and poor people.

I do not want to draw an analogy, but I can remember the story told in the Bible where our Savior condemned those who sat in public places and offered audible prayers and professed to be men of great piety, yet they would not touch the burden of the poor with their little fingers, they would not alleviate the privation of widows and orphans with one finger, yet they claimed to be pious people and people who believed in the welfare of humanity.

I hope this bill will pass by a large majority.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, I take this time to keep the air clear. During the course of this debate we will hear many, many times that this is a program to take care of our surplus food situation, that we have surplus food sticking out of our ears, and that we should get rid of the surplus.

The gentleman who preceded me alluded to this.

Mr. Speaker, I would like to call attention to page 4 of the bill, particularly line 21. It reads:

In areas where a food stamp program is in effect, there shall be no distribution of foods to households under the authority of any other law except during emergency situations caused by a natural disaster as determined by the Secretary.

Where we have a food stamp program in effect, our present surplus program will cease. This is clear. We ought to keep this in mind as we debate this rule and as we debate the bill later today.

Let me refer to the definition for an eligible household as shown on page 5 of this bill, line 6. It reads:

Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

We have absolutely no income limitation in this bill. All you have to do to qualify under this program is to prove to some welfare worker that you do not obtain a nutritionally adequate diet.

Mr. BROWN of Ohio. Will the gentleman comment on the statement I made in my original address to the effect that if the food stamp plan is put into action in any area or any district or any State, a needy person who does not have any income from a welfare agency or any other source with which to buy food stamps will be unable to get surplus foods, as they do at the present time through the farm surplus distribution program that is now in effect in so many sections of the country, especially in those areas where there is great unemployment?

Mr. LATTA. Let me quote from the bill:

In areas where a food stamp program is in effect, there shall be no distribution of foods.

It would seem to me that the definition of "area" would be made by the Secretary of Agriculture. If he should determine that our entire State was an "area," then the entire State would be ineligible to receive surplus foods.

Mr. BROWN of Ohio. That means with the food stamp program in Ohio—

Mr. LATTA. The entire State.

Mr. BROWN of Ohio. If a family had no funds with which to purchase food stamps or any source of revenue with which to get the money to buy food stamps, they would be unable to get surplus food as they have in the past through the regular distribution system which has now been in effect.

Mr. LATTA. That is conceivable, but they still could go to the welfare office and get a check to buy the food stamps.

Mr. BROWN of Ohio. Suppose they could not do that?

Mr. LATTA. If they did not have the money to buy the stamps, they might be out.

Mr. BROWN of Ohio. That is right; you either have to have the money or you do not get the stamps. Is that right?

Mr. LATTA. That is right, but, as I say, they could go to the welfare office and get the stamps.

Mr. BROWN of Ohio. Perhaps, if they knew the right people.

Mr. MADDEN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, I wonder if the gentleman from Ohio [Mr. LATTA] would answer a question.

Mr. LATTA. Yes.

Mr. JONES of Missouri. From the gentleman's comment, I take it if we would amend the bill and omit the part the gentleman referred to on page 4, line 21, if we would eliminate that, that would make it all right?

Mr. LATTA. If you would do that, it would help the bill.

Mr. JONES of Missouri. I take it from the gentleman's statement he is as interested in those poor people as I am. If we could continue distribution of these commodities in cases where they were

unable to comply with these food stamp regulations, I hope if that opportunity arises the gentleman will support such an amendment?

Mr. LATTA. I certainly would support the amendment. I think it would help the bill. I will also support other amendments that I think ought to be adopted to make this a good bill. If the House would adopt these perfecting amendments, it would receive more support on this side of the aisle.

Mr. MADDEN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Under the food stamp plan, in the pilot areas, there are some who do not have any money and they are receiving food stamps to enable them to have a good diet. There are ways that it can be done and it is being done.

Mr. MADDEN. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Speaker, representing two counties in the pilot program, may I say I support the rule and will support the bill, provided the State-matching provision is amended out. I do not believe that any provision to require States to provide 50 percent of the matching funds will work, particularly in the areas of greatest need. Such an amendment would kill the program in West Virginia, and cripple it in other sections of the country. When the time comes, I sincerely trust that such an emasculating amendment will be defeated, because the food stamp program is a sound program which should be extended beyond the pilot basis on which it has so successfully operated.

Mr. Speaker, I would like to include an article from the Cleveland Press of December 26, 1961, which indicates the conclusions of school principals in one of the West Virginia counties included in the pilot program:

SCHOOLMEN LAUD FOOD STAMP PLAN

WASHINGTON.—A group of West Virginia school principals reports that the Kennedy administration's experimental food stamp program has improved the health and morale of their pupils.

The principals enthusiastically endorsed the project in letters forwarded to the Agriculture Department by Supt. George W. Ryson of the McDowell County, W. Va., schools.

They reported that the pupils were dressed better, appeared better fed, and missed fewer school days since their families began receiving stamps from the Government, which can be traded in at groceries for food.

The letters said some children previously stayed home because they were ashamed to have free surplus commodities in their lunch boxes.

Some did not come to school because they could not afford lunches at all.

McDowell County is one of the eight places where the experimental food stamp program has been tried out for the past 6 months. The other test areas are in Illinois, Kentucky, Michigan, Minnesota, Montana, New Mexico, and Pennsylvania.

The pilot projects replace the old system of direct handouts of such surplus commodities as dried milk, flour, cornmeal, and dried beans.

The Kennedy administration currently is considering proposals for extending the program to cover by 1967 all the needy persons in the Nation's economically depressed areas.

Mr. MADDEN. Mr. Speaker, I just want to mention that we might bear in mind during these days of automation, there are approximately 1 million workers being thrown out of work every year; there are approximately 1 million young folks coming into the labor market and that is going to bring about an additional need for a program such as we are considering here today.

The SPEAKER. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

IN THE COMMITTEE OF THE WHOLE

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10222, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from North Carolina [Mr. COOLEY] will be recognized for 2 hours and the gentleman from Iowa [Mr. HOEVEN] will be recognized for 2 hours.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman and colleagues, the bill under consideration is certainly not a new bill. This proposition has been submitted to the House before and if any of you are thinking of voting against the bill, it might be well for you to check the CONGRESSIONAL RECORD of August 20, 1959, when the food stamp plan was offered as an amendment by the lovely lady from Missouri [Mrs. SULLIVAN], our colleague who is the author of the pending bill.

A record vote was taken at that time and there were 232 Members of the House who voted for the food stamp program, and only 127 Members voted against it. After the Sullivan amendment had been adopted, the bill was passed by a vote of 305 to 53. That was back in 1959. However, the amendment become involved in some way and never was activated.

The author of this bill now before the House, the gentlewoman from Missouri, is a tireless worker on behalf of the poor people of this Nation. She has sponsored this legislation through the years and I think she understands the problem involved perhaps far better than any other Member of the House.

I have likewise been interested in the

food stamp program going back through the years. It is now in operation in my home county. We have 100 counties in North Carolina and we have the food stamp program in operation in only 1 of the 100 counties. It is being operated there because the members of our welfare board wanted it, the members of our board of county commissioners wanted it, and our director of public welfare wanted it. At their suggestion and at their request, I persuaded the Department of Agriculture to put the program into operation in Nash County.

Actually, I had no idea as to the extent of hunger and want in my own county, a county of about 60,000 population. Today more than 8,000 poor people are benefiting from this program. These poor people, out of their meager earnings, put up more than \$295,000 of their own money, while the Government put up only about \$173,000, so that they might have wholesome and adequate food.

I have not had a single complaint from a single source since this program has been in operation. The recipients are pleased. The county officials are pleased. The merchants are pleased.

The nicest thing about this program of distribution through food stamps, using normal trade channels, is that it permits these poor, unfortunate people to live in dignity, rather than forcing them to line up with their hands out asking for charity at some place where there is direct distribution.

This program has worked on an experimental basis. First we selected only eight locations throughout the country. We started the program on a pilot basis. It has been expanded into 43 locations in 22 States.

I have been in this well many times. I have voted for legislation providing authority for the distribution of food. Not only during Democratic administrations but also during Republican administrations the House has authorized the appropriation of and has appropriated billions of dollars to feed hungry people in other parts of the earth. Right now we are contributing food to about 100 million people in 100 nations of this earth.

This bill will provide food for our own people.

I agree with what has been said in the well of the House. It is difficult for me to understand how anybody could vote against giving food to hungry Americans when we know our warehouses are bulging with vital food throughout this land. We are the richest nation on earth.

Our great President has declared war on poverty. This, in my opinion, is the very best program which can be designed to fight poverty here at home.

This bill now before us has been carefully considered by our Committee on Agriculture. The committee reduced substantially the expenditures which the original bill would have authorized. The authorization now in this legislation will enable those in charge of the pilot food stamp program to expand it into other areas and to feed or to help to feed other hungry Americans. I do not see how anybody could get comfort or satisfac-

tion out of voting against this pending measure.

I say this not as a partisan, because I voted for foreign aid all through the Eisenhower administration. I voted for the local currency sale and distribution abroad of the commodities we produce beyond our needs. Our committee has given to the Secretary of Agriculture every authority that he has asked for, for the use of our abundance of food. Our committee gave him the right to sell these commodities for dollars, to sell them for short-term or long-term credit, to sell the commodities for foreign currencies, and to barter the commodities away for strategic materials needed in our own economy; yes, to give them away wherever on this earth the need could be shown. We have disposed of over \$10 billion worth of surplus agricultural commodities.

This is not a political matter and it should not be so regarded, but unfortunately it became involved in partisan politics apparently before the final vote was taken in our committee. The Food Stamp bill that was at that time pending was tabled by a coalition vote and the record clearly shows the position taken by the minority. Then a new bill was introduced and it came out by a narrow margin with a vote along party lines. Now here this bill is before us, and frankly I do not see any reason why we should take 4 hours discussing a proposition which we have already passed upon once.

I commend our report to you setting forth the purposes of the bill. I do not think it is necessary for me to read this report although I would like to read a part of the history:

H.R. 5733, the original food stamp bill, was introduced on April 22, 1963. Hearings were held on the legislation by the House Committee on Agriculture on June 10, 11, and 12. About 35 of the 40 witnesses, including 15 Members of Congress representing both parties, testified in favor of the food stamp program. At the conclusion of the hearings, it was apparent that there were a number of problems in connection with this legislation and the chairman appointed a special subcommittee headed by Hon. HARLAN HAGEN to redraft the bill. This subcommittee held hearings on August 7, 8, and 15, 1963. Members of the subcommittee also made an on-the-spot inspection trip to Uniontown, Pa., to get a firsthand look at the program in operation. The subcommittee, after making several amendments, voted to report a new bill to the full committee. H.R. 8107, a clean bill, incorporating the subcommittee amendments, was introduced on August 15, 1963. The House Committee on Agriculture held executive meetings on October 30, 1963, and on February 4, 1964, and on that date voted to table H.R. 8107. After further consideration of the food stamp program, amendments were suggested to the bill to further clarify the committee intent and H.R. 10222 was introduced as a clean bill on March 3, 1964. The House Committee on Agriculture met in executive session on March 4, and voted to report the bill, as amended, to the House.

I conclude by complimenting the author of the bill, the gentlewoman from Missouri [Mrs. SULLIVAN], for the work that she has done on this legislation. She has worked tirelessly, through the months and, yes, even through the years.

There is nothing sectional about this bill. I suppose none of us has a monopoly on poor folks, nor do we have a monopoly on hungry people. I think we will find hungry people and poor people in every congressional district of this great and mighty Republic of ours.

Through this program we can relieve poverty. I urge the Members to vote for this bill and not to destroy it by crippling amendments. Let this worthwhile program be expanded as circumstances and appropriated funds will justify. With that I yield the floor.

Mr. HOEVEN. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. LATTA].

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Chairman, at the outset let me say that I concur in the statement made by the chairman of our Committee on Agriculture that everybody is against poverty. I am against poverty and hunger wherever it exists. I want to add that the people in the Fifth Congressional District of Ohio who are out of work get just as hungry as they do in some other districts of this Nation. I also would like to point out that of the 43 areas of the country enjoying the benefits of this pilot program costing all the taxpayers of this Nation \$51.5 million a year, only 3 areas happen to be in Republican congressional districts.

Mr. Chairman, I wonder what is happening in all of these congressional districts that happen to be Republican, some of these unemployed people might also be getting hungry. I wonder when this program is put into effect, whether we are going to have the same political imbalance in the administration of the program. In fact, it was worse at one time. At one time under this pilot program, of 26 areas under the program only 1 happened to be Republican.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Yes, I would be happy to yield to the gentlewoman from Missouri for an explanation, if the gentlewoman has one.

Mrs. SULLIVAN. I do. There happen to be six Republican areas that are receiving food now under the food stamp program.

Mr. LATTA. And that is out of the total of 43?

Mrs. SULLIVAN. Yes.

Mr. LATTA. If this is the latest figure I accept it, but it still reveals the political imbalance to which I referred. That means 37 Democratic districts under the program and only 6 Republican districts.

Mrs. SULLIVAN. If the gentleman will yield further, possibly it is because they have not asked for it.

Mr. LATTA. I am glad the gentlewoman from Missouri brought this point up, because I happen to represent an area that is located just south of Lucas County, Ohio. Lucas County has the food stamp program. After this area requested to be included in the food stamp program, a request was made to include the county of Ottawa in the program. This county is in my congressional dis-

trict. This county was politely turned down. These good people in Ottawa County get hungry too.

Mr. Chairman, certainly, I hope that if this program is put into effect, it will not be administered along political lines as it has in the past.

Mr. Chairman, I would like to point out a couple of other things about this bill that are certainly in error and in need of improvement.

If this bill is going to be passed, I hope that we will improve it.

To start with, we might take a look at the title of the bill. It says:

To strengthen the agricultural economy.

Now, everyone, including the gentleman now in the well, is interested in strengthening the agricultural economy of this Nation. But it is very difficult for me to understand how we can strengthen the agricultural economy of this Nation by a program that by its adoption it excludes the use of surplus agricultural commodities in areas having the food stamp program in effect.

I would like to quote our good and honorable chairman of the Committee on Agriculture the gentleman from North Carolina [Mr. COOLEY]. He made the following statement and I quote it:

Our warehouses are now bulging with surplus foods.

It is difficult for me to understand how we are going to relieve this bulge by the adoption of a program that brings our surplus disposal program to an end and defines food as follows:

The term "food" means any food or food product for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary, and those foods which are identified on the package as being imported from foreign sources when they arrive at the retail store.

Mr. Chairman, that permits a person to purchase anything so long as it has been approved by the Secretary of Agriculture.

Mr. Chairman, I do not like to see the Secretary of Agriculture, as he might be doing here, determining the diet for these people. I believe this is wrong. I believe this permits just too much regimentation. I fail to understand how the purchasing of imported foods, for example—and they can be purchased under this bill merely by repackaging them after they come into this country—is going to help us relieve our bulging warehouses of surplus foods.

Mr. Chairman, also, when we speak about these bulging warehouses, we are not saying they include everything that people eat. We are talking about wheat, we are talking about corn, we are talking about rice, and peanuts.

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am glad to yield to the gentleman from New York.

Mr. ROBISON. I have asked the gentleman from Ohio to yield because I have a question with reference to the imported food category. How about coffee, for instance, which I assume is a crop basically not grown in the United States? Yet it may be processed and packaged

in the United States. Would coffee qualify as an imported food under this definition?

Mr. LATTA. Yes; I think you could purchase coffee under this bill.

Mr. ROBISON. You could purchase coffee. That would not be an imported product. The same thing would hold true for cocoa, most of which comes from abroad.

Mr. LATTA. Yes. I do not think the package itself indicates a foreign source and this is the only limitation.

Mr. ROBISON. Then I do not see how these two crops—there may be others which are basically foreign crops—are going to do anything about our own bulging warehouses.

Mr. LATTA. I quite agree with the gentleman, and I think we ought to discuss this bill today on its merits and discuss it as a welfare program. This is not a program for relieving our country of surpluses we talk so much about. This is a general welfare program, and we might just as well understand that.

Mr. ROBISON. Has the gentleman any idea as to what a "luxury food" would be, or "luxury frozen food" would be?

Mr. LATTA. No. That is to be determined by the Secretary of Agriculture. He is going to be able to tell you what is or what is not a luxury food, and what you can or cannot purchase.

Mr. ROBISON. I thank the gentleman.

Mr. LATTA. On page 4 of this bill, line 21, as I pointed out at the time the rule was being considered, subsection (b) says:

Any areas where a food stamp program is in effect, there shall be no distribution of foods to households under the authority of any other law except during emergency situations caused by a natural disaster as determined by the Secretary.

This certainly rules out the use of surplus foods as we have been using them in these areas. I would like to see this clarified and pinned down by adoption of an amendment to be offered by the gentleman from Missouri [Mr. JONES], because I think it will be detrimental to our own agricultural economy. If we want to relieve our surplus agricultural situation, we should not shut off any State that may have been using this type of program because some area within the State is using the food stamp program.

We have heard a lot of the concern of the dairy people. They have been disposing of considerable amounts of dairy products under the surplus food program. I am wondering whether or not this would not close the door on the use of surplus commodities in our school lunch program. Will the gentlewoman from Missouri yield for a question? I refer to the terminology on page 4 which states:

In areas where a food stamp program is in effect, there shall be no distribution of foods to households under the authority of any other law except during emergency situations caused by a natural disaster as determined by the Secretary.

Would this rule out all programs in these areas?

Mr. COOLEY. The school lunch program could not be affected by this because it is part of a household.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. LATTA. Speaking of households that are eligible, page 5, line 6 of this bill states:

Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

That is a broad definition if I ever heard one. We should tie down perhaps by an income limiting amendment. All a person would have to do to qualify is to go into a welfare office and establish that he is not spending as much for food as he would like and secure an order for additional food stamps at public expense. If we are going to put a program like this in effect, it is going to be extremely costly. We ought to pin it down to some income limitation. Certainly we should have a better definition of "eligible households" than we have on page 5.

Speaking about the cost of the program, I would like to refer to a report of the Department of Agriculture analyzing the food stamp program, dated January 3, 1957. It notes that the Department projected an annual expenditure of \$600 million to \$2,500 million for a nationwide food stamp program. In view of this let us look at the bill before us, on page 17, it says:

To carry out the provisions of this act, there is hereby authorized to be appropriated not in excess of \$25 million for the fiscal year ending June 30, 1964; not in excess of \$75 million for the fiscal year ending June 30, 1965; not in excess of \$100 million for the fiscal year ending June 30, 1966; and not in excess of \$200 million for the fiscal year ending June 30, 1967.

When we consider the cost of the pilot program now in effect, these figures are not very realistic. We are considering a nationwide food stamp program. With a cost of \$51,500,000 for just 43 pilot areas, how can we possibly conceive of a nationwide program costing only \$75 million for the fiscal year ending June 30, 1965, and not more than \$100 million for the fiscal year ending June 30, 1966, and not in excess of \$200 million for the fiscal year ending June 30, 1967?

Certainly when you launch a program like this, it is going to cost several hundred millions of dollars if you are going to do the job you set out to do. I would certainly hate to see this Congress pass a bill to set a nationwide stamp program into operation and have only \$75 million to administer it for the fiscal year ending June 30, 1965.

Turning to the report on pages 33 and 34, and specifically to the information furnished by the Pennsylvania Department of Public Welfare and the U.S. Department of Agriculture, there appear several examples. It says:

A family of four with \$120 gross monthly income must buy \$27 worth of coupons twice a month to get \$16 worth of coupons free each time.

Then it goes on to tell how many coupons would have to be purchased for a family of 6, a family of 10, and so forth. Let us just stop with the family of four. This means that \$32 a month will be picked up by the taxpayers of this Nation through the food stamp program for the family of four. This means \$384 a year for this one family. If my arithmetic is correct, \$384 million a year would be needed to take care of 1 million families. So why talk about \$75 million for a year's operation.

What I am fearful is going to happen if this bill passes, is that areas to be designated by the Secretary of Agriculture as eligible for this program shall be picked primarily on political grounds. The unemployed people in Ottawa County in my district or other counties that may ask for it are still going to be denied the benefits under this program, but the same taxpayers' dollars are going to be spent for it.

I do not think we ought to continue to fool ourselves about the cost of this program or as to what might be intended. I think we ought to get the cards out on the table while we are discussing this bill. If we want to launch a program, then let us launch it. Let us say how much it is going to cost and where we intend to place it. If the administration is really getting into a \$2½ billion program, I think it ought to say it. If you agree with the Department of Agriculture when it said it would cost a minimum of \$600 million back in 1957, we ought to admit it and we should not talk about it costing only \$75 million for a year.

Another part of this bill that I understand is going to be attempted to be deleted from the bill, is the provision dealing with the State participation. As I understand it, we do not have any Federal welfare programs, where there is not some State participation. But under this program the administration is insisting on 100 percent Federal participation.

The only reason I can give for its wanting all Federal participation is that the Federal Government wants to completely regulate and run the program. I do not think this is good.

Certainly, I shall oppose any attempt that is made to take out the participation by the States under this program. I am hopeful that this bill will pass this House with some State participation in order that the Federal Government will not have sole authority and control.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. POFF. I understood the gentleman to say, and apparently this is something which is not generally understood, that the operation of this bill is not limited to those agricultural commodities which are in surplus.

Mr. LATTA. That is correct.

Mr. POFF. Entirely aside from that fact, may I inquire how do these agricultural commodities which are in surplus become involved in the machinery of the food stamp program? I have searched the committee report from

cover to cover with particular emphasis on the paragraph on page 3 entitled "How the Program Operates" and I cannot find how any commodity which is in surplus and is stored in a Commodity Credit Corporation warehouse ever moves into the machinery of the program. Can the gentleman explain that to me?

Mr. LATTA. The gentleman cannot find it because it does not move in this program. It is specifically ruled out on page 4 of this bill. Wherever you have a food stamp program, you do not have a surplus food disposal program in effect. It is specifically prohibited.

Mr. POFF. Several of those who have addressed themselves to the bill have left the implication that if this legislation becomes law, surplus commodities now stored in Government warehouses on which the taxpayers are paying tremendous storage fees will somehow mysteriously and magically move into the machinery of the food stamp program. I understand from the gentleman that not one pound of such commodities will move into the machinery of the program; is that correct?

Mr. LATTA. That is the way the bill stands now.

Mr. POFF. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield to the author of the bill, the gentlewoman from Missouri [Mrs. SULLIVAN], 30 minutes.

Mr. HULL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Ashley	Glenn	Morse
Auchincloss	Griffin	Murray
Avery	Griffiths	O'Brien, Ill.
Baring	Hanna	O'Konski
Barrett	Harsha	Powell
Bolton,	Hébert	Rains
Oliver P.	Jennings	Rogers, Tex.
Bray	Jones, Ala.	St Germain
Brock	Kee	Short
Buckley	Kilburn	Slack
Burleson	King, Calif.	Smith, Calif.
Burton, Utah	Kirwan	Springer
Dawson	Lankford	Staebler
Derwinski	Leggett	Steed
Diggs	Lipscomb	Thompson, La.
Dowdy	Lloyd	Wallhauser
Elliott	Matsunaga	White
Evins	Miller, Calif.	Wilson,
Fogarty	Minshall	Charles H.
Fulton, Pa.	Morrison	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10222, and finding itself without a quorum, he had directed the roll to be called, when 371 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentlewoman from Missouri [Mrs. SULLIVAN] is recognized for 30 minutes.

THE PILOT FOOD STAMP PROJECTS HAVE PROVED
THE MERITS OF THIS PLAN

Mrs. SULLIVAN. Mr. Chairman, the legislation now before the House, and strongly supported by President Johnson and by his predecessor in the White House, President Kennedy, does not establish a new program of government. It expands one already in effect. In that regard, it is like the Peace Corps bill the first time we voted on that issue in the House. By the time legislation on the Peace Corps came before us, we had some basis for judging its effectiveness and its merits. For it had been put into effect on a pilot basis by President Kennedy under funds and authority he already possessed—enough to administer a small, experimental type of program.

The same thing is true exactly on the food stamp program. President Kennedy used the authority of a law passed many years ago—section 32 of the Agricultural Adjustment Act of 1935—to set up the pilot food stamp plans, using part of the money collected from customs receipts for the diversion of surplus agricultural commodities from the market. We have been using section 32 authority and section 32 money since the great depression to help the farmer in many ways, and now we are using a small part of this annual fund to finance the 43 pilot food stamp plans now in operation.

SUPERIOR TO DIRECT DISTRIBUTION

These pilot food stamp plans can—and I trust, will—continue in operation no matter whether the Congress passes a bill of this nature. The question before the House today is not whether we should continue the pilot food stamp projects in Pittsburgh and Detroit and St. Louis and in 40 counties spread among a score of States where these plans are already operating so successfully, but whether every county or municipality in the country which would like to have a food stamp plan in preference to the direct handout method can have a chance of obtaining such a program.

In deciding that question, Mr. Chairman, we have abundant evidence that the pilot programs have proved themselves so superior to the direct distribution system that they have thus succeeded in becoming what President Kennedy and President Johnson intended them to be: that is, prototypes for expanding the program nationally.

But, if we want to expand the pilot program into a national program, then Congress must authorize the appropriation of sufficient funds to finance such a national program. And that is just what H.R. 10222 does—that is primarily what it does. There are not sufficient unused moneys available in the section 32 fund—consisting of one-third of all custom receipts—to finance a national food stamp program and still leave any money for the many other purposes for which section 32 financing is normally used.

CUSTOMS RECEIPTS USED TO HELP FARMERS

Members of Congress from city districts might be forgiven for asking why the entire section 32 fund of nearly \$300 million a year shouldn't be used for the

food stamp program, but we do not want to take away the Secretary of Agriculture's freedom of action in the use of the section 32 money. He frequently uses it to buy up eggs and have them powdered and stored in warehouses, as a price-support device to help the poultry farmers; he uses it to buy up fresh milk and have it powdered and stored in warehouses, to help the dairy farmer; he uses it to buy up livestock and have it processed into canned meat and gravy to help the cattle raisers; he uses it to buy up cheese, and lard, and pork and fresh vegetables and fresh fruits to divert these things from the market in times of surplus.

Some of these diverted farm products then go into the school lunch program, or to institutions, or are dehydrated or processed for direct distribution to the needy under the surplus commodities program. But the main purpose of the section 32 program is to help the farmer to get rid of surpluses.

And that is one of the main purposes, also, of the food stamp program. Under its operations needy Americans participating in the plan are able to increase their consumption of food substantially so that less food items become surplus.

BACKGROUND OF H.R. 10222

I have been living with this issue for 10 years, Mr. Chairman, since I introduced the first food stamp bill here in 1954. Three times in those 10 years the House has voted on the issue: First, in 1957, when I offered my bill as an amendment to Public Law 480, but lost on a teller vote in Committee of the Whole House; again in 1958, when the Committee on Agriculture first approved the idea, but the Rules Committee did not, and I arranged to have the bill called up under suspension of the rules, obtaining a majority vote in favor but not a two-thirds majority; and finally in 1959 when, with Chairman COOLEY's great assistance, and that of the Speaker, and the gentleman from Pennsylvania [Mr. SAYLOR], and others, we succeeded in adding it to Public Law 480 as a floor amendment.

SECRETARY BENSON REFUSED TO TRY
FOOD STAMP PLAN

Former Secretary Benson never used the authority of that law. He refused to do so. He did not believe in the food stamp idea. His objections are still being echoed today in the adverse report of the minority members of the Committee on Agriculture. The 1959 law, authorizing a food stamp program somewhat different from the pilot plans now in effect, expired at the end of 1961. Before deciding whether to put it into effect, President Kennedy early in his first year in office, called for a series of pilot operations to obtain experience in the administration of a food stamp program. Those pilot plans are now, in some cases, 3 years old.

And last year, on the basis of the knowledge and experience developed under the pilot plans, President Kennedy proposed the kind of legislation now before the House.

SUPPORT FOR H.R. 10222 COMES FROM MEMBERS
WITH PLANS IN THEIR DISTRICTS

I was given the great privilege by Chairman COOLEY, and by the admin-

istration, of sponsoring the administration bill, and I am proud of this honor. For I believe in the program. It is in operation in my own city, and it is so far superior to the previous program for aiding the needy to have more food that I think every congressional district should have the opportunity to participate in the program.

I do not believe that any Member of Congress who has a pilot plan in his own district is against the bill now before us. Most of the effort in having H.R. 10222 enacted, in fact, has come from those of us who already have the plan—and therefore do not need this legislation to continue having it. But, we are "carrying the ball" for the other Members who want it in their districts, or who would certainly want it if they were familiar with how it works.

Mr. HAGEN of California. Mr. Chairman, will the gentlewoman yield at that point?

Mrs. SULLIVAN. I yield to the gentleman from California.

Mr. HAGEN of California. The gentlewoman made reference to the pilot programs. They are only pilot programs, of course, and they will not go on forever. Actually, the only way to protect those areas which already have them is to pass this legislation; so it is important even for those areas which already have the pilot programs.

Mrs. SULLIVAN. I thank the gentleman. That was not quite my understanding. I had understood they could still go on, using section 32 funds, if the bill is not passed.

Mr. HAGEN of California. Theoretically they could, but they are only pilot programs. Unless Congress puts its stamp of approval on these general programs, it is unlikely that the pilot programs will continue much longer.

Mrs. SULLIVAN. I thank the gentleman from California.

SAME PEOPLE IN DEPARTMENT RUN BOTH PROGRAMS

Mr. Chairman, echoing Mr. Benson, who has now cast his lot with the John Birch Society and turned his back on General Eisenhower, the minority report of the Republican members of the Committee on Agriculture is using all of the arguments against this bill which were used 5 years ago when we last voted on this idea. They are the same arguments which Mr. Benson used every year from 1954 until he left office.

But, interestingly enough, the very people in the Department of Agriculture who ran the direct distribution system under Secretary Benson, and who still run it—career people in the Department—say the food stamp plan is far superior from every standpoint. They say it does a better job than the direct distribution system in assuring good diets for the needy. It uses up far more feed grains, and dairy products and fruits and vegetables than the direct distribution system, and therefore helps the farmers more. It permits the participants to eat like Americans and to buy their food with their own money in the corner grocery.

PARTICIPANTS MUST BUY STAMPS OUT OF INCOME

Let me make clear that this is not a handout program. Under the program the participating families must spend their usual food budgets for food, and only for food, in order to receive coupons entitling them to buy additional food. This program has raised the volume of food sales in the grocery stores in the pilot areas where tests were made by about 8 percent.

I ask the Members from farm areas, Mr. Chairman, are they interested in raising food consumption by low-income people in this country by 8 percent, at no additional cost to the Federal Government? For that is what this program does in the pilot areas, where tests were made, and what it could do in any area of large-scale unemployment. And it can help the needy everywhere, whether or not they live in economically depressed areas. A poor person can be just as hungry in an area of low unemployment as in an area of high unemployment. St. Louis is not a depressed area, but we have found through the food stamp program that our needy who participate in the program are eating well-rounded, nutritious meals, including meat and poultry and fresh fruits and fresh vegetables and regular milk instead of powdered skim milk, and fresh eggs instead of powdered eggs, and so on.

Let me stress a few important points that I want the Members to keep in mind through the storm and thunder of these 4 hours of general debate:

MAJOR POINTS TO CONSIDER

First, no area of the country would have to have the food stamp plan if it didn't want it. It is voluntary. But, under H.R. 10222, funds could be appropriated by Congress to extend the plan to counties or cities throughout the country; an additional 20 or 25 projects could be established immediately, and, eventually, the program could reach millions of additional Americans.

Second, this is not an open-end authorization; it is for 3 years only, and each year's appropriation would have to come before Congress for approval. The appropriation limits are written into the bill.

Third, while the people participating in the program enjoy a substantial increase in their food purchases, they must spend, out of their own funds, at least as much as they would otherwise spend for food—this does not, like the direct distribution program—enable them to cut down on food purchases in order to have more money to spend for other things. This is strictly and exclusively a method of increasing the food consumption of needy Americans.

NO INCREASE IN OVERALL COST TO FEDERAL GOVERNMENT

Fourth, the cost to the Federal Government, once this program is operating nationally, will be about the same as the present costs to the Federal Government of giving away surplus food to the needy. The one program replaces the other. The total costs of both would be about the same.

Fifth, this is a Kennedy-Johnson administration program, and is an integral and essential part of the drive on poverty.

ACTION BY COMMITTEE MINORITY

Sixth—and I stress this to my side of the aisle—although a number of Republican Members of Congress support this program, and have supported it in the past, and although some Republican Members of Congress have food stamp projects in their districts and enthusiastically endorse the idea, not a single Republican Member of the Committee on Agriculture—not one—voted for the bill in committee even with the crippling amendment they succeeded in tacking onto it. Even the sponsor of that amendment did not vote for the bill as amended. Instead, he said that even with the amendment in the bill, he generally endorsed and concurred with the minority report attacking the whole idea.

I stress that point, because there is nothing that can be done to this bill, to weaken or cripple it, which will make friends for the bill out of its sworn enemies on the Committee on Agriculture. They are against it, period.

In this, they are still echoing Mr. Benson. This is strange, because one of Mr. Benson's chief brain trusters and assistants in the Department, Don Paarlberg, did an article for the very conservative American Enterprise Association last year, concluding that if you were going to have any kind of program to give food to the needy, or help them obtain better diets, the food stamp plan was infinitely superior to the direct distribution plan.

But the Republican Members of the Committee on Agriculture are still sticking with Mr. Benson and they can have him, as the John Birch Society already does.

PLAN WORKS AND WORKS WELL

The food stamp plan is no utopia. It is complex and there are difficulties in administering it. But it works. It has been tried and tested for 3 years. Those who choose to vote against it will do so not because it does not work, but because it works too well to suit their political desires. They do not want the Democrats to get credit for a good program.

This was the same motivation, I believe, which led a number of our conservative friends to vote against the Peace Corps bill the first time it came before the House for a vote.

Believe me, Mr. Chairman, a vote against the food stamp plan today is going to be just as hard to explain, in years to come, as was that first vote against the Peace Corps.

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. Yes. I gladly yield to the chairman of the committee.

Mr. COOLEY. I would like you to point out, if you will, if you have the figures before you, how many applications from different communities are now pending in the Department which the Department cannot assist because of limitation of funds.

Mrs. SULLIVAN. I understand there are now 200 or more applications pending in the Department of Agriculture for food stamp projects. I got a long list of such areas in the CONGRESSIONAL RECORD on April 22, 1963, when I introduced the administration bill for the first time in this Congress.

Mr. COOLEY. In other words, there are 200 communities in the country that want the privilege of a food stamp program?

Mrs. SULLIVAN. That is correct.

Mr. BEERMANN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield.

Mr. BEERMANN. From the gentlewoman's remarks, she has a food stamp plan in her district in Missouri. In her statement she said there were no additional costs in this program as against the food distribution program. How many additional Federal employees are there in the gentlewoman's district administering this program?

Mrs. SULLIVAN. None that I know of. The local administration is handled primarily by State and local employees. Those who were giving out free food under the direct distribution program are now being used, in some instances, in the offices; we have two such offices set up to sell the stamps. Then we use our State welfare employees to do the certifying work both for those on welfare and those not eligible for welfare but eligible for participation in the food stamp plan.

Mr. BEERMANN. I wonder why it is that the Department of Agriculture has estimated that it would take 985 more employees under this program?

Mrs. SULLIVAN. That I cannot answer, because I do not have those figures. I believe the Department has said that many people now on surplus disposal would go over to this program.

Mrs. GRIFFITHS. Mr. Chairman, will the gentlewoman yield?

Mr. SULLIVAN. I gladly yield to my colleague from Michigan.

Mrs. GRIFFITHS. I would assume it is because this puts the program in all over the country. Mr. Chairman, I would like to point out to those who are very interested in taking the Government out of business that this is one way of getting the Government out of the food business. This is one of the reasons it is particularly well liked in the city of Detroit which has one of the good pilot projects. We have taken the Government out of the food distribution business in Detroit and put the food industry into it. It has worked exceedingly well. Not only does it give the food to Americans, the participants who have assisted in paying for it through taxes and who need the food, but it also helps the Detroit food industry. They heartily support the extension of this food stamp program throughout the country.

Mrs. SULLIVAN. I thank the gentlewoman from Michigan, who always makes such clear and convincing statements that her words carry great weight in the House. I appreciate her support on this legislation. Mr. Chairman, I want to take up the charge that the cost of this program will soar out of sight. I think this argument can be made—and usually

is made—about every proposed new program of Government. Benjamin Franklin would never have been able to start our postal system if the view had prevailed then that the country could not afford it because of what it might some day cost. The Social Security Act in 1935 was attacked as an opening wedge to vast spending. The question is—and has to be—Is the spending worth while? Does it accomplish what we want it to do?

If those who oppose this program want to and end all spending for farm support, and let the farmer go broke, then we would be more inclined to listen to them when they say this plan to help the needy while helping the farmer is too expensive.

COSTS LESS THAN FOOD GIFTS ABROAD

But, it is not too expensive. It represents less per year than we now spend in gifts of food to the voluntary organizations which send it abroad to the needy—we spend \$276 million a year in free gifts to CARE, and to the church organizations for them to send abroad to the needy overseas.

Now that is less than this food stamp plan will cost in any of the next 3 fiscal years, under this bill, assuming that Congress appropriates the full amount authorized in the legislation.

We gave CARE and the church organizations \$100 million worth of powdered skim milk alone, last year, to send abroad for school lunches and for aid to the needy. That is more than this food stamp program can possibly cost in either the 1965 or 1966 fiscal years, under this legislation.

Let us not scare ourselves to death that we can't afford this program. The fact is that every dollar we spend of Federal funds on the food stamp program means approximately a dollar saved on the direct distribution program—in Federal funds alone. The States and localities, which now bear a heavy financial burden under the direct distribution system, would save added millions under the food stamp plan. Who loses, then, under the plan? Hunger. Only hunger loses.

Mr. HAGEN of California. Mr. Chairman, will the gentlewoman yield at this point?

Mrs. SULLIVAN. I yield to the gentleman from California.

Mr. HAGEN of California. Mr. Chairman, the gentlewoman made reference to Don Paarlberg who was certainly an influential member of the Benson administration of the Department of Agriculture and who endorsed the food stamp program over direct distribution. I believe some reference has been made to a 1957 report of the Department of Agriculture with respect to cost figures of the food stamp program. I understand the gentlewoman has some information which discounts the rather blown-up figures in this report with regard to costs. Would the gentlewoman care to comment on that?

FIGURE PULLED OUT OF THIN AIR

Mrs. SULLIVAN. I would. That report used a figure of \$2.5 billion. That figure of \$2.5 billion a year is utterly nonsensical. Mr. Benson projected that

figure back in 1956 in trying to prove that my food stamp proposal would be disastrously extravagant and expensive.

The proof of the absurdity of the figure can be found in the pilot projects now operating. They are costing far less than the 1956 estimates made by Mr. Benson. He was just pulling figures out of the air. He said that to be of any value, a food stamp program would have to add \$100 a year to the food purchasing power of the participants. He said that there might be 25 million participants. That would mean, he said, \$2.5 billion a year.

At the very height of the worst recessions we have had since the direct distribution system began in 1954, we never had more than about 6 million people receiving surplus food. Our experience shows that in the pilot areas, a substantial number of those who previously received surplus foods when they were given away free, were either ineligible or were not willing to spend part of their own money in order to enjoy a better diet.

In any event, the annual costs of this program are strictly limited by what Congress appropriates. In this bill, the limits are \$25 million in this fiscal year, in addition to section 32 money already provided; next year, the ceiling would be \$75 million; for fiscal year 1966, the figure would be \$100 million; and for fiscal year 1967, \$200 million. These are the limits which can be appropriated for subsidizing food consumption through this plan. When you consider that we spend about \$1½ billion a year helping to feed the hungry overseas, this is hardly very excessive or extravagant. And nearly all of it goes for extra food consumption.

Mr. HAGEN of California. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am glad to yield to the gentleman from California.

Mr. HAGEN of California. As I understand it, I will say to the gentlewoman, the Department estimate now is 4 million people. Even under the figures of Mr. Benson, which would include a minimum program of 6 million people, the cost figure would come out exactly as the present Secretary of the Department of Agriculture estimates, representing a total program of some \$360 million at the end of the second or third year of its operation. Subtracted from that would be the \$280 million which represents the cost of the present direct-distribution program, which admittedly is subject to abuse and which admittedly does not improve the diets of the recipients, as this program would; is that correct?

Mrs. SULLIVAN. That is correct.

Mr. Chairman, I would like to discuss the charge that the food stamp plan will result in even more cheating and fraud than has been going on under the direct-distribution program.

PREVENTION OF FRAUD AND ABUSE

A lot was made of this point in the hearings before the Rules Committee. The charge neglects the evidence; there are stiff penalties in this bill for misuse of the stamps by retailers or by food

stamp recipients. They can be used only for food. There can be no payoff in cash. If a purchaser using food coupons is entitled to change after making his purchase in a grocery store, he receives no money: he either gets a coupon of small denomination or else he receives a due bill on a subsequent purchase.

There have already been some prosecutions in some of the pilot project areas. But there have been very few violations. This has been watched very carefully. The grocers do not want to jeopardize their participation in the program. Also, they do not want to go to jail, either.

There will always be sharpsters who try to skirt the law for a quick dollar. That is why the Secret Service looks out for counterfeiters; that is why the FBI checks bank embezzlers. Crime is no stranger to America. But this program is surrounded by extremely effective safeguards, and the most important of them is the fact that the participants themselves are extremely pleased with the plan and want to help make it work. They far prefer it to the direct surplus handout program. Few of those on the plan—now enjoying a good American diet for the first time in years—or perhaps in their lifetime—want to jeopardize their participation by abusing the program, particularly when it can lead to Federal prosecution, with the chance of a year's imprisonment. For those who deal in these stamps—merchants and wholesalers—the penalty for violations can go as high as \$10,000 fine and 5 years in jail, if the value of the stamps involved is over \$100. Unauthorized persons obtaining stamps can also be severely punished. This is all spelled out in section 14 of the bill.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I would be happy to yield to the gentleman from California.

Mr. DON H. CLAUSEN. When the program was originally established it is my understanding that it was designed to resolve the surplus problem in farm products. If so, and if this were one of the primary reasons for the program, what guarantee do we have that it is going to be used for strictly the reduction of our surplus commodities?

Mrs. SULLIVAN. I have some figures on that. The Department of Agriculture made some detailed studies on that in Detroit and in Fayette County, Pa. The Detroit study, for instance, showed that under the food stamp plan, the families surveyed used 24 percent more feed grains in the form of more meat. They doubled their milk consumption, they doubled their fresh vegetable consumption, consumption of fresh fruits went up 70 percent, and consumption of eggs went up some 19 percent.

Under the direct distribution program, the Secretary has the authority to buy up surplus eggs, and he does so, and then he has to go to the expense of powdering them and storing them, before giving them away free. The people would rather have fresh eggs. When he buys up the surplus milk, then he has to go to the expense of dehydrating and stor-

ing it, before giving it away as powdered skim milk. The people would prefer fresh fluid milk.

Mr. Chairman, these are some of the things that would be eliminated by using the fresh foods in the grocery store rather than having to buy up the surplus milk and eggs and other things that we have to put away in the warehouses. The more people buy in the stores and eat the less food goes into surplus warehouses. This program raises food consumption.

Mr. DON H. CLAUSEN. If the gentlewoman will yield further, are our surplus commodities on the increase or on the decrease at this time?

Mrs. SULLIVAN. I cannot answer that as of today.

Mr. DON H. CLAUSEN. I feel that that is a very important point.

Mrs. SULLIVAN. I am certain that we have large surpluses of many food items, or we would not continue to carry on the programs in which we are engaged costing hundreds of millions and billions of dollars to aid the farmers.

Mr. DON H. CLAUSEN. If the gentlewoman will yield further, I wish I could have obtained some answers to these questions. It is a rather difficult thing for us to make a proper analysis if we do not know whether or not the primary objective of the program is being carried out, which is to reduce surpluses.

Mrs. SULLIVAN. May I ask that that question be directed to someone who is a member of the Committee on Agriculture? I am not a member of that committee and, therefore, I do not know too much about the exact size of our stocks. This bill will increase food consumption by low-income people. That would certainly have an impact on surpluses—present and potential.

Mr. HAGEN of California. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am glad to yield to the gentleman from California.

Mr. HAGEN of California. It is true that the gentlewoman is not a member of the Committee on Agriculture, but the figures which have been quoted on these pilot programs indicate that we have upgraded the diet through the increased consumption of protein foods, such as meat and milk, which products also reflect themselves in the wheat area which is also in surplus.

In addition, I might point out to the gentleman from California [Mr. Don H. CLAUSEN] that the people might buy a few surplus apples. This is one program that offers some help in reducing surpluses in crops which do not now come under the price-support program. The gentleman has them in his area and I have them in mine. That is one advantage of this program, in my judgment. It helps farmers who have surpluses but who are not covered under this program.

Mrs. SULLIVAN. I thank the gentleman from California.

Mr. Chairman, under the direct-distribution program the families studied in Detroit used approximately \$4.91 worth of food per week, and the farmers' share of that was \$1.75.

The CHAIRMAN. The time of the gentlewoman from Missouri has again expired.

Mr. COOLEY. Mr. Chairman, I yield the gentlewoman 3 additional minutes.

Mrs. SULLIVAN. Under the food stamp program the same families used \$5.51 of food per week, and the farmers' share went up to \$2.01, or an increase of 15 percent to the farmers under this stamp plan program.

Mrs. GRIFFITHS. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SULLIVAN. I am happy to yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. I would like to point out to the gentleman who has just spoken that I would not consider the primary purpose of this program to be to use up surpluses.

One of the primary purposes of the program was to put such surpluses as we have into the stomachs of our own Americans.

I would like to point out that in the city of Detroit in 2½ years we paid out \$27,096,744 for food coupons, but the participants under the pilot program added \$13,667,250 additional. All of this money went into the food program, yet helped those people who are producing food. It was a real value to them, as it was a real value to all of the participants who got the food and who were helping to pay for all those purchases. So that it was a sort of mutual cooperation.

Mr. JONES of Missouri. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Before I ask the question I want the gentlewoman to understand that I have some apprehension about this bill, yet I want to vote for it, I want to support the legislation, although I know there are some provisions where there will have to be corrections or improvements made, in my opinion.

On page 4, line 21, discussed earlier in the day, it is stated:

In areas where a food stamp program is in effect, there shall be no distribution of foods to households under the authority of any other law.

My question: Would the author object to removing this from the bill, understanding that the direct distribution of food can only be put into effect at the discretion of the Secretary under certain conditions?

Further, the reason I am asking this question is because, as the gentlewoman knows, in her home city of St. Louis where prior to the food stamp plan there were some 63,000 people who were receiving direct distribution of food, after 14 months with the food stamp plan there were slightly more than 11,000 people receiving aid, leaving 52,000 people who were receiving some food who are not now receiving anything.

What I am fearful of is that translating the experience in St. Louis—there are a number of similar situations, and we will bring those out when we read the bill for amendment as to why this occurred—but translating this to southeast Missouri where we have unem-

ployment during seasonal parts of the year, and we have a large number of people who have no income, what I am trying to do is to protect those people who will not be able to come under the food stamp plan but still be able to participate in some form of distribution of surplus commodities.

Would there be any objection to amending this section—line 21 on page 4?

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Do I understand the gentleman from Missouri would like to have both plans in operation in the same community?

Mr. JONES of Missouri. I think in some instances and under some circumstances it is not only desirable but very necessary if you are going to take care of the situations that will arise I hope to have some time, about 5 minutes, to go into this and explain what the situations are.

Mr. COOLEY. If this bill passes, a community can elect on that.

Mr. JONES of Missouri. I will go into that and show you why a community elects to do something under two different types of pressure. The people who are affected and the people who are not being fed and the people who need food worse are not the people who have the influence in order to get the type of program that is best for their individual interests.

Mr. COOLEY. I think we ought to permit the gentlewoman to finish her speech.

PROGRAM ENTAILS SOME PROBLEMS, BUT IS WORTH IT

There are lots of problems in the operation of a food stamp program. If any one pretended differently, he would be fooling himself. The free food idea had one merit—if you can call it a merit from an administration standpoint—and that was that no one cared too much how strictly the standards were enforced. The idea was to get rid of surplus food the quickest and easiest way, and if a lot of chiselers stood in line for free food, no one cared much.

This program is different. Money is involved—Federal funds. The eligibility standards are strict. You can only have so much income per month according to the size of the family, and only so much in liquid assets. The idea is to reach only those who are provably in need of this assistance—who do not have enough money or enough income to afford a minimum decent diet. We want them to enjoy some of this tremendous abundance of good food—not just dehydrated stuff.

Now when you tell a family it must pay out a certain amount for food stamps in order to obtain additional purchasing power for food only, some will say that they would rather eat less and have some extra money for other things. That is their right to decide. Others say the program has been somewhat inflexible by not allowing fully for such necessary expenses as sudden medical bills, high rents, and so forth. So adjustments have to be made.

And an elderly couple does not have the same need for extra food as a widow with a teenaged son, yet they might have to pay out the same proportion of their income for the food stamps. Now these are administrative problems we are working out in the pilot operations. That is why this has been set up originally as a pilot program—to work out these problems. And it can be done and it is being done.

But the chiselers get nothing under this plan. They are shaken out. I hope no one feels so sorry about the chiselers being eliminated from the food program that they would vote against this bill because of it.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, may I have the attention of the gentleman from Missouri [Mr. JONES]?

I understood the gentlewoman from Missouri to say that the consumption of surplus products has gone up under the food stamp plan. I also understood from your newsletter that 63,000 people in St. Louis, which is one of these pilot programs, were receiving surplus commodities, all of which were in surplus, and now only 11,000 people are receiving food stamps. If it is true that surplus commodities are being disposed of, then we have to assume that 11,000 people under the food stamp plan are eating more surplus products than the 63,000 did under the surplus commodities disposal, do we not?

Mr. JONES of Missouri. That is true in a way. I will discuss that with the gentleman in a minute. At this time I will say in all deference to the gentlewoman from St. Louis that St. Louis is the horrible example of the food stamp program. I say that with all due respect to her. It is not her fault. But the Department of Agriculture does not like to talk about St. Louis. I want to improve it, though, and the rest of Missouri likewise. They now have about 12,000 out of the 63,000 who are being fed. Of course, they are not using as much of the surplus commodities as they did before. I think that is one of the great mistakes in this report that was filed by the committee. I do not think the Department of Agriculture was accurate in its statements in saying that the whole amount of surplus commodities increased with the food stamp program, because if you use logic it cannot be true. I want to continue that but I want to see this bill amended to where we can continue to use the surplus commodities that the Government has paid for and which are now in storage, but which might not be as desirable commodities as would be available under a food stamp plan, where they can buy and are not required to buy surplus commodities. If a family wants bread, flour, and so forth, they can say so. There is a way to improve the bill, and I am going to offer some amendments and try to improve it to where I can vote for it.

Mr. BELCHER. If we have 12,000 people using the food stamp plan, and the Secretary of Agriculture is telling the truth, those 12,000 are eating more than

the 63,000, when the only thing they can obtain under the surplus commodities disposal is surplus commodities. Is that reasonable?

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. JONES of Missouri. I do not think the Secretary said that specifically about St. Louis, and certainly nobody would argue they are eating as great a volume of surplus commodities in St. Louis under the food stamp plan as they did under a direct distribution. I do not think anybody would argue that. I certainly would not accept that argument. I would want to see some absolute proof and I do not think it could be furnished.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield so that I may defend my great city of St. Louis?

Mr. BELCHER. I yield to the gentleman.

Mrs. SULLIVAN. The figures I used on the increased consumption of food by participants under the pilot program referred to a survey made in Detroit, and not to St. Louis. The city of Detroit has many more people in the program—it has been in operation there from the very start—and probably has a better system than our State allowed us to adopt in our area. We are limited by State welfare standards. But I do want to tell you this. Under our pilot program, we have shaken down and shaken out many of the people who really should not have been getting free food under the direct distribution system they are not getting it at this time because, in many instances, they should not have gotten it in the first place. That was not only true in St. Louis, as we discovered, but also in other pilot food stamp areas. Mr. SAYLOR testified on that before the Agriculture Committee. Furthermore, in St. Louis County, which surrounds the city of St. Louis, the requests for surplus commodities have decreased during the same period by some 40 percent. There is less unemployment now, and there are many factors that caused the reduction in the number of people seeking either free food in St. Louis County or going into the food stamp program in the city of St. Louis. The regulations set up originally were much too tight and stringent and we have been discussing and have been arguing about these regulations because they are still somewhat too rigid and they need more flexibility. But these things are being worked out. We had to show them that what the people pay for rent in St. Louis is not the same as the people pay for rent in other areas of Missouri or in most other cities. So adjustments were made.

Mr. BELCHER. Of course, I do not know anything about the figures, but it just occurs to me that 12,000 people eating anything they can buy in the grocery store will not dispose of as much surplus commodities as 63,000 people would if they got those commodities directly.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. COOLEY. Who has made any such absurd statement as that? The gentleman from Missouri [Mrs. SULLIVAN] did not say that and I believe the gentleman from Missouri [Mr. JONES] said the very opposite of that.

Mr. JONES of Missouri. I made that statement.

Mr. COOLEY. I am sure you did not. Did the gentleman say that 12,000 people were eating more than 62,000 people?

Mr. JONES of Missouri. No, I said that 12,000 were eating and there were 63,000 people before.

Mr. BELCHER. To get back to the point, the gentlewoman said there were 12,000, the gentleman from Missouri [Mr. JONES] said there were 11,000. But be the figure 11,000 or 12,000, I am still unable to understand how 12,000 people buying anything they can buy in the grocery stores are going to dispose of as much wheat, flour, and surplus commodities as 63,000 people would if they were led up to the trough.

Mrs. SULLIVAN. May I say to the gentleman, each month we have more people signing up for this program. The figure was 12,000, as of February. By April there may be a few thousand more. But I did not say that these 11,000 or 12,000 are eating more than the 60,000 or so people who were previously receiving free surplus commodities. But I do know the food is not now being wasted; it is not being thrown away or swapped for other things like beer or cigarettes, which has happened all over the country and I think many of the members with the direct distribution systems in operation in their districts will tell you.

Mr. BELCHER. I still understood the gentlewoman to say that the primary purpose was to move our surplus commodities. I still cannot understand why if they can buy anything in a grocery store it is going to dispose of more surplus commodities than you will if the only thing you can get in the grocery store is the surplus commodity itself.

Mrs. SULLIVAN. May I say to the gentleman that people do not eat feed grains. But people do eat meat, and the more meat they eat, the more feed grains are consumed. The people who are on the food stamp program are now buying meat which they could not afford to buy before. By buying more meat, they are helping to use up more feed grains fed to cattle. That means less surplus grain for storage purposes.

Mr. BELCHER. I understand that we are now importing most of that meat from Australia and New Zealand and I also understand that some of these people are getting sick eating too much tunafish. I did not know that tunafish was a surplus commodity and I did not know that Australian beef and New Zealand beef was in surplus.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. HAGEN of California. I think the evidence is, and I think the Wall Street Journal had an article on this about a year ago, that most of the chiselers got out when the food stamp program went

in because it involved putting up some of their own money. It is not your argument is it that these chiselers should go back on the program; is it?

Mr. BELCHER. I would not say that for 1 minute. I would not charge that the gentlewoman's home district of St. Louis has 51,000 chiselers who are getting surplus commodities. I would not make that kind of a charge. But you are making it and not I.

Mr. HAGEN of California. I am not making any charge. You said some are. The evidence was that the chiselers got out of the program. We had a big scandal here in Washington where it was found that some people hired a taxi driver to go out and pick the stuff up. It has happened elsewhere.

Mr. BELCHER. Are not the same people who are going to administer the food stamp plan the ones who are now administering the surplus commodities? Are not the local authorities going to take care of it?

Mr. HAGEN of California. They screen the recipients of the food stamp plan much more closely. That has been the history of the program. Apparently when there are available large quantities of flour, or corn meal—I do not know all the other things available, or whether they have peanut butter—they feel they must get rid of it, since it is sitting around, and they are not quite so careful as to who gets it.

Mr. BELCHER. Then do I correctly understand that they are not likely to give them as much tuna fish, and so on?

Mr. HAGEN of California. I believe the tuna fish example is atypical.

Mr. BELCHER. The gentleman said that the most horrible example was St. Louis, yet I understood that the gentlewoman was holding up St. Louis as a model of the program. I do not seem to be able to get it straight.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Missouri.

Mrs. SULLIVAN. I am holding up the St. Louis program as a good program. It is being improved. The purchase requirements at first were much too high. Adjustments are being made. I believe they should be a bit more lenient in the regulations, and we are trying to get that done. But the program works and those who participate under it really like it.

I have not said that the people who receive the food stamps are eating more surplus food. They are eating more food. And a substantial amount of that food represents items in surplus. Also, I have not said that the thousands who used to get free food but who do not participate in the food stamp plan are all chiselers. I say that many factors have entered into this, to lower the degree of participants in the food stamp plan compared to the free food handouts.

The eligibility is much more rigid under this type of program than it was before, because they are handling Federal money, and a lot of people who were at about the maximum income in order to get free food would not find it worth while to sign up for the food stamp plan

because they would receive so few bonus coupons, and would be limited in the use of their own money for other things.

Under the surplus commodities program, everybody who qualifies gets the same handouts. Under this program, the size of the subsidy depends upon the amount of need.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks and to proceed out of order.)

Mr. FINDLEY. Mr. Chairman, I requested unanimous consent to proceed out of order because of the limitation of time we shall have for the consideration of the wheat-cotton bill tomorrow. We shall be limited to 1 hour at that time. It will be difficult to dig into all the phases of this complicated proposal.

Every Member of this body whose district produces wheat or feed grains, I feel certain, is interested in the effect the wheat certificate proposal will have on the farmers of his district.

If a Member's district produces feed grains or includes small wheatgrowers—and it is difficult to find a rural congressional district in which this is not true—the effect would be immediate and it would be adverse.

The bill will place the small wheat farmer in what I choose to call triple jeopardy.

Consider the plight of the farmer who was able to produce 15 acres of wheat in the 1963-64 season and to sell the wheat in a supported market at about \$1.85 a bushel.

To be eligible for certificates under this program, this small farmer will first have to cut his base from 15 acres down to the most recent 3-year average. That is the first jeopardy.

Secondly, he must cut 10 percent below this adjusted base figure. That is a second jeopardy.

The area representing the cutback—in many cases but a fraction of an acre—must be placed in conserving uses, as defined by the Secretary of Agriculture. The farmer must make sure it is not pastured, nor can any kind of crop be harvested from it.

Third, if he fails to do this, he gets a very low price for his wheat. The price is forced low and kept low by the Secretary of Agriculture.

Small wheat farmers would be entitled to certificates only if they reduce their wheat acreage 10 percent below their most recent 3-year average and divert this small acreage into conserving or other special uses.

In view of the fact that most of them are in the winter wheat area, these farmers cannot participate in the program unless they conduct a drastic, expensive and wasteful plowdown.

Some of the Members may want to look at the figures as they affect wheat farmers in your State. I am sure you will be shocked at the high proportion of your wheat farmers who are adversely affected by this bill and subject to the triple jeopardy mentioned above.

At the proper time, when the committee rises, I will ask unanimous consent to place in the RECORD the figures I just mentioned.

The figures referred to are as follows:

State	Allotments over 15 acres	Allotments 15 acres or less	Total number of wheat farms	Percent with allotments of 15 acres or less
	Thousands	Thousands	Thousands	
Michigan.....	15.0	98.0	58.8	87
New York.....	7.2	28.7	19.3	80
Ohio.....	28.9	110.0	61.2	79
Pennsylvania.....	12.7	65.0	28.2	83
Illinois.....	30.0	103.8	53.0	77
Indiana.....	22.0	90.0	52.7	80
Iowa.....	2.0	11.0	6.5	85
Minnesota.....	11.0	50.0	37.1	82
Missouri.....	24.0	105.5	82.5	81
Nebraska.....	50.0	30.8	21.0	38
South Dakota.....	30.0	16.1	7.7	35
Wisconsin.....	.3	10.0	5.5	100
Florida.....	.3	.7	.6	70
Georgia.....	1.3	18.4	17.7	92
Kentucky.....	5.2	19.1	18.0	80
Maryland.....	3.6	10.0	3.7	71
North Carolina.....	2.3	80.9	70.0	97
South Carolina.....	1.3	34.3	30.0	95
Tennessee.....	2.3	26.4	23.5	91
Virginia.....	3.0	40.5	23.8	92
West Virginia.....	.4	4.1	2.4	91
Arkansas.....	.7	14.0	10.3	93
Alabama.....	.7	6.1	5.2	87
Louisiana.....	.5	.7	.6	58
Mississippi.....	.7	2.4	1.9	77
Oklahoma.....	42.0	27.9	18.1	40
Texas.....	31.5	36.1	27.1	53
Arizona.....	1.5	0.6	0.2	29
California.....	3.1	3.2	.9	51
Colorado.....	15.4	7.1	1.9	32
Kansas.....	99.6	43.5	19.1	30
New Mexico.....	2.6	2.2	.6	46
Utah.....	2.7	9.0	2.8	75
Idaho.....	10.1	18.9	9.5	65
Montana.....	17.6	4.4	1.5	20
North Dakota.....	60.0	4.9	2.4	8
Oregon.....	5.6	11.2	5.4	66
Washington.....	9.3	6.7	2.6	42
Wyoming.....	2.3	1.1	.5	32
U.S. total.....	558.7	1,153.3	733.8	67

Source: June 1963, "Wheat Situation Report" USDA.

The harmful effect of this bill on the small wheat farmer was forcibly stated by the gentleman from Minnesota, Mr. HUMPHREY, when he said during debate on this bill in the other body, and I am quoting directly from the RECORD:

We should not overlook the position of the small wheatgrower, either. Nationally, 2 out of every 3 wheatgrowers harvest less than 15 acres; in many States, the proportion is 9 out of 10. Many of these growers of winter wheat will not be in a position to participate in a new program, because they already have planted more than their 3-year average, less 10 percent—the requirement for eligibility in this bill. Therefore, these hundreds of thousands of growers will have to depend on the free market this year for their income from wheat. No wheat legislation we could pass now could affect these hundreds of thousands of small wheat producers. The placing of a ceiling of 105 percent of the loan for these farmers will sharply reduce the wheat income of this substantial group, and also will sharply reduce farm income.

Actually this bill comes too late for the small wheatgrowers.

Thousands of small wheat farmers have already planted their fields on the assurance that no new wheat program would be enacted. It is not fair to put them in triple jeopardy. If this program was to be inflicted on them, it should have been passed early enough to avoid this triple jeopardy.

Congress has had plenty of time. The wheat referendum was rejected last May 21. Why was this decision put off for 11 long months?

Let us suppose the worst. Let us assume the program becomes law.

What happens to the feed grains farmer? He too is placed in jeopardy.

As mentioned above, thousands of small wheat farmers will not plow up their planted acres. Instead they will figure that marketing wheat at the Government-controlled low price—without certificates—is the lesser of two evils.

This decision of course will swell the supplies of wheat competing with feed grains. Considering the feeding value of wheat, the market prices would make wheat and corn competitive. This would tend to depress corn prices, and get feed grains into still deeper trouble.

So both the corn farmer and the small wheat farmer would be adversely affected by the wheat program. They

would be far better off if no bill is passed.

Who would get the payments?

The lion's share of the certificate payments in this proposal would be gobbled up by the large wheatgrowers.

A million and a half wheat farmers representing 76 percent of all wheat producers could qualify at most for only 15 percent of the payments.

Three percent of the wheat farmers—the big fellows of course—would get nearly 40 percent of the payments, and 7.6 percent would get almost 60 percent.

Each of 1,300 wheat farmers would get Government payments averaging \$14,615 a year.

The average for 1,391,000 small wheat farmers—\$58 a year, if they qualify.

Here again I will ask unanimous consent to include extraneous matter to give you the full details on this breakdown.

The figures referred to are as follows:

Acreage allotment size group	Number of farms	Percent of total farms	Percent of total acreage and payment	Estimated ¹ payment	Average payment per farm
0 to 25.....	1,391,400	76.5	15.1	\$81,000,000	\$58
25.1 to 50.....	162,300	8.9	10.4	56,000,000	345
50.1 to 100.....	127,800	7.0	16.2	87,000,000	680
100.1 to 200.....	83,100	4.6	21.8	117,000,000	1,407
200.1 to 300.....	28,100	1.5	12.5	67,000,000	2,384
300.1 to 500.....	17,700	1.0	12.1	65,000,000	3,672
500.1 to 1,000.....	7,000	.4	8.3	44,000,000	6,286
1,000.1 and over.....	1,300	.1	3.6	19,000,000	14,615

¹ Assumption: \$350,000,000 domestic payments; \$150,000,000 export payments and \$35,000,000 diversion payments.

Source: February 1963 Wheat Situation Report, USDA.

Mr. Chairman, just what kind of a reactionary farm bill is this which puts a tax on flour—a tax which hits poor people the hardest—and turns most of the proceeds over to the highest income wheat growers? This is Robin Hood in reverse.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, I had not expected to speak on this measure. I listened attentively to the arguments that have been made on this bill and I was particularly happy to listen to the Chairman's explanation of the bill. Also I listened with great interest to the gracious lady from Missouri [Mrs. SULLIVAN]. I have listened to her on many occasions on the subject of this bill and I am convinced that she is convinced that it is a good idea. I certainly do not want to impugn her motives in any way whatsoever. I am convinced that she is sincere in her support of this bill.

As one who has been a lifelong devotee of the welfare of agriculture and a student of its problems, I want to speak to you in the brief time that I have of some of the things that have brought this situation about. Most of the debate that we have listened to today has had to do with what is going to happen in 1965 and 1966 and 1967. But very few people have talked about what is going to be happening 10 or 20 or 30 years from now. I think the members of the so-

called farm bloc, members of the Agriculture Committee, have in a sense failed to do that on many occasions in the past and it accounts for the fact that many of our programs have not been too well thought out, especially from the long-range viewpoint.

For example, I happen to have been one of the supporters of Public Law 480, and I still am. I thought that it was destined to fulfill a very worthwhile purpose. Now what has happened? The State Department, who opposed the program in the beginning, now has grabbed it off and are saying to us in essence, "You have to keep on generating these surpluses so we can use them as ammunition in the cold war." And so it seems to me that the best laid plans of mice and men "gang aft a-gley." In this instance it is the food stamp plan. I think we are walking right into the same kind of deal.

I listened to the very persuasive arguments of my friend from California [Mr. HOLIFIELD]. I always like to listen to him; we have worked together in the past very harmoniously. But he has a very clever way of attempting to put anybody who opposes this bill in the position of being opposed to anyone who wants to fight hunger; who wants to feed hungry people. I think that is really not a very fair position to put us in.

I want to say to my fellow Members of the House to listen and remember this well. If you pass this program, if you put it into practice, it will become a gargantua you will live to repent. This will eventually become the most impos-

ing, destructive, and expensive and socialistic scheme that was ever fastened upon our economy. Once you have embraced it and once you have started in upon such a program I warn you there will be no turning back.

I had this same opinion when the pressure was put on us that we have three or four pilot programs. Now those fears are justified and what we do today will affect our moral stability in the decades ahead. It was merely a case of the camel getting his nose under the tent. We can see now where we are going.

Mr. Chairman, I believe, even however manifestly charitable the immediate passage of this legislation may be, in the long run it will produce a sort of an albatross around our necks.

Mr. Chairman, I am for feeding hungry people, and I think we can do it in a way that will not continue a very vicious program tied in with vast political city machinery, which is what I contemplate will happen in this instance.

Mr. Chairman, I suppose, because I am sure that sort of an arrangement has been made to get enough votes to pass this bill in the House, it will pass, but it is not going to pass with my vote, and I can tell the members of the Committee that.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Ohio.

Mr. LATTA. I want to thank the gentleman for yielding to me.

Earlier in the debate when I spoke on this bill, I pointed out that of the 43 pilot areas, only 3 of these areas were located in congressional districts having Republican congressmen. I was brought up to date by the gentlewoman from Missouri [Mrs. SULLIVAN] when she pointed out that there were 6 Republican congressional districts of these 43 now having food stamp programs.

I would like to further comment on this, however. Of those six Republican districts that now have the food stamp program in effect, three of such districts were initially represented by Democratic Congressmen. I have reference to former Representative Breeding who is no longer here, former Representative Clem Miller who is no longer here, and former Representative Frazier of Tennessee who is no longer here.

These represent three of the six districts that are now Republican under the pilot program, which programs were started under Democratic congressional districts.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I am happy to yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I want to make a correction. I stated earlier that there were six, but there were eight Republican Members involved, Representatives DON CLAUSEN of California, Representative DOLE of Kansas, Representatives MINSHALL and Mrs. BOLTON of Ohio, Representatives SAYLOR and FULTON of Pennsylvania, Representative BROCK of Tennessee, and Representative O'KONSKI of Wisconsin.

Mr. HARVEY of Indiana. Was this 11,000 or 12,000 we are talking about?

Mr. MATTHEWS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROSENTHAL].

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks.)

Mr. ROSENTHAL. Mr. Chairman, it is with some degree of trepidation that I find myself in the well of the House supporting a farm bill. But on the other hand it is with a great deal of pleasure and happiness that I can support this bill reported out of the Committee on Agriculture.

Mr. Chairman, in trying to look at and analyze the opposition to the bill from an objective point of view, I have reviewed the position taken by the 14 Members of the minority who have consistently been in opposition to the enactment of this bill. I think what they suffer is from a lack of pride of authorship. I do not mean this in a partisan way, but an objective way. However, they suffer from an apology of authorship. I think the key comes from the question that the distinguished gentleman who is the senior member of the minority group on the committee asked and what he said on page 20 of the hearings when he was questioning the Secretary of Agriculture as to the program. He said as follows. This is what the gentleman from Iowa [Mr. HOEVEN] said:

We are not opposed to bettering the diet of our people or giving them proper nourishment. If we are to have an expanded food stamp program, why is it not sponsored by the Department of Health, Education, and Welfare?

Mr. Chairman, it was at that point that the line of opposition first began and has been followed through to this very day and hour of debate.

Mr. Chairman, the answer seems to be and it seems to me that the Committee on Agriculture should no longer limit itself to the narrow parochial view doing solely and exclusively what is good for the farmers of America. Surely, what is good for the farmers of America in many respects is what is good for the rest of the country. However, certainly the members of that committee should be equally concerned with food consumption. That is precisely the kind of bill we have before us today. Make no mistake about it, although the argument is going back and forth as to whether this bill will reduce surpluses, the intention of this proposed legislation is not necessarily to reduce surpluses. Anyone who urges here today that the motivating factor in the enactment of this legislation is to reduce surpluses is creating a myth which simply is not true.

Mr. Chairman, the intent of this bill which is expressed in the bill is to provide persons who are unable to provide for themselves an adequate nutritional diet and to provide for them the facilities to obtain, buy and consume the food that will make them healthy Americans. Coincidentally, with the intention of the bill, it will in addition help reduce the surplus.

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there are about a dozen or more commodities listed with the experience of Detroit, Mich., showing the consumption of food under the direct commodity program and the consumption of food under the food stamp program. Insofar as meat was concerned, there was a 37-percent increase in consumption, insofar as poultry was concerned a 32- or 33-percent increase in consumption, and insofar as many, many other commodities were concerned there was a substantial increase in consumption.

Although I think we should recognize that this bill is aimed at furthering the welfare and the health of our citizens, at the same time we should recognize that coincidentally it does provide some assistance in disposing of the surpluses we have on hand.

I think that this bill is going to pass. The major issue is going to be, How are we going to deal with the Quie amendment? The gentleman from Minnesota, one of the most able and articulate members of the committee, did in fact convince the committee that it was wise to add his amendment which provides that any State that wanted to participate in this program would have to provide 50 percent of the funds for the program within that community or that State. It would seem to me that this amendment if it remains in the bill will in fact not only cripple the legislation, but make it hopeless and make it useless.

To cite a comparable example, in the Kerr-Mills Act, in which we have State participation, after 3 years and where 50 State legislatures had met during that period of time, only 28 States have come forward to participate in that program where State participation is required. What will happen in this legislation, as happened in that legislation, is that States where poverty is rampant, where the people can least afford it, and where the State itself has the least per-capita income and cannot voluntarily come into the program, will not be able to join and certainly will not join. An interesting analogy under the Kerr-Mills Act is that 88 percent of the \$189 million of Federal funds allocated since the inception of that program went to five States, namely, California, Massachusetts, Michigan, New York, and Pennsylvania. Although my own State of New York, which up to date has not participated in this program, would be in position to share some of the cost of the program, certainly the majority of the State legislatures of those States that did not have the funds available would not come forward and take money away from other welfare purposes to join in this program. Therefore, if the Quie amendment remains in the bill then we will be enacting a piece of sham legislation.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Minnesota.

Mr. QUIE. If the gentleman will look at the States which are now under the stamp plan, he will see that it goes to States like California, which is probably ahead of your State of New York, or next to it, in the highest per capita income bracket. In States like Illinois, Indiana,

Ohio, and Pennsylvania, although they have counties which are depressed, are not the poverty-ridden States. They rank with the highest in per capita income.

Mr. ROSENTHAL. The Secretary of Agriculture testified when he appeared before our committee that there were many reasons they chose a community for the pilot program. One of the considerations was the financial status of the community such as in Detroit and in Uniontown, Pa., where there was a low-level income community. Other communities were considered for other reasons, so the department could have a broad possible analysis of how the program would work, and although many different communities applied for it they were doing it with a feeling that the Federal Government would contribute 100 percent of the cost of the program.

Mr. QUIE. Does not the gentleman believe that California is as capable to finance a food stamp program as the U.S. Government?

Mr. ROSENTHAL. California might well be, although they have chosen one or two places in California for a pilot program. But the real test will come from the other 240 communities that have not been able to be included because of insufficient funds.

Mr. QUIE. When a State has sufficient funds, its citizens are able to pay taxes.

Mr. ROSENTHAL. You cannot pinpoint such a thing as that. It would seem to me that most State legislatures are not going to take money away from welfare or housing and hospital care to contribute to this program, where their State welfare programs are stretched to the limit. By our doing this at this time we will be getting away from the very good experience we have had with the pilot program. The experience under the Kerr-Mills program shows that the States will not participate, that they cannot participate.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield.

Mr. HAGEN of California. I might say in answer to the gentleman from Minnesota that few, if any, States I know of conduct general welfare programs; rather, they are involved in the categorical aid programs with the Federal Government. I speak of old-age pensions, blind aid, aid to the disabled, and so forth. General welfare is the responsibility of the countries or the cities. There is only one area in California that has one of these pilots programs, and it is a depressed area, and so classified. There is no program of general State welfare in California, although they do contribute to the federally established categorical aid programs. General welfare programs have been conducted by the local units of government, the counties, rather than the State.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from New York.

Mrs. KELLY. I want to express my appreciation to my colleague from New York for his support of this program and

his efforts in its behalf. I also want to congratulate the gentlewoman from Missouri for sponsoring this program over the years. Is it not true that this program will help decrease the additional increase of surpluses by increasing the present consumption of food?

Mr. ROSENTHAL. I think there is no question that will happen. As the gentlewoman pointed out, in those areas where the program was in effect, there was an overall increase of about 8 percent in retail consumption, as shown on

page 11 of the report, in every item except one, dried fruits and vegetables. There was a marked increase in consumption of food under the food stamp plan.

Mrs. KELLY. Will the gentleman put in the RECORD in his extension of remarks the additional consumption under the commodity program, the increase in consumption in Detroit, for instance? I think it would be helpful.

Mr. ROSENTHAL. When we are back in the House I will.

Quantities of specified foods consumed in a week for member of participating families, before and after initiation of Federal food stamp program, Detroit, Mich., 1961¹

Food	Under commodity program, April-May	Under food stamp program, September-October	Difference
	Pounds	Pounds	Percent
Meat.....	2.753	3.782	37.4
Poultry.....	1.014	1.348	32.9
Fish.....	.364	.471	29.4
Milk, cream, ice cream, and cheese ²	7.372	7.438	.9
Shell eggs.....	.470	.550	17.0
Fats and oils.....	.863	1.027	19.0
Flour and other cereal products including bakery items.....	4.083	5.336	30.7
Sugars, sweets.....	1.143	1.230	7.6
Fresh vegetables.....	1.806	4.062	124.9
Potatoes, sweetpotatoes.....	1.875	1.973	5.2
Fresh fruits.....	1.564	2.618	67.4
Commercially frozen fruits and vegetables.....	.049	.096	95.9
Commercially canned fruits and vegetables.....	.824	1.085	31.7
Fruit and vegetable juices, fresh, frozen, canned, powdered.....	.307	.539	75.6
Dried fruits and vegetables.....	.354	.337	-4.8

¹ Before adjustment for seasonal changes in price and foods consumed. Includes home-produced, gift, and federally donated as well as purchased foods.

² Fluid milk equivalent.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Minnesota.

Mr. QUIE. I would like to have the gentleman inform the gentlewoman from New York what happened to butter consumption after the food stamp plan was started. Where there had been direct distribution of butter and replaced by a food stamp plan, butter has been almost entirely replaced by substitute in the eligible house holds.

Mr. ROSENTHAL. In the Detroit area, they state under milk, cream, ice cream, and cheese, a fluid milk equivalent, an increase of 0.9 percent after the food stamp plan went into effect.

Mr. QUIE. Then conveniently they have not listed butter as a separate item because whenever direct distribution has been displaced by a food stamp plan, butter consumption goes down to virtually nothing on the part of food stamp recipients—the people who before were assisted by direct distribution. They then go to the store and buy the substitute. This is one of the things about the food stamp plan that we are not sure whether it is actually going to do away with the surpluses nor is it conceded that people will be eating as much wheat products. We do not know whether people will be eating as much bread as when they have flour under direct distribution.

Mr. ROSENTHAL. When they purchase, let us say, twice as much food they are going to be using much more. I am sorry if in the district or in the gentleman's area butter is a major product and the consumption of butter may be decreased, but I would not think the gentleman would determine what he

would do with reference to this legislation on the basis of that one item alone. I would think the overall general welfare would be the main thing that would influence the gentleman's position on this legislation.

Mr. QUIE. I commend the gentleman on his statement that this is a welfare program. It is no longer a program for the distribution of surplus foods and it should be looked at as a welfare program, and I will develop that on my own time later.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HUTCHINSON].

(Mr. HUTCHINSON asked and was given permission to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Chairman, as more and more legislation of broad character is considered by the Congress, it seems to me at least that we are simply granting our authority to the executive branch of government. This bill, as it stands, is an excellent illustration of just that sort of thing. It we turn to page 4 of the bill and read section 4, it starts out "The Secretary is authorized to formulate and administer a food stamp program"—not the Congress but the Secretary. Not the legislative branch of Government, but the executive branch.

Then over on page 5, we start out and very happily note that each State shall establish standards to determine the eligibility of applicant households. Well, that looks good. That looks as though that was something that was going to be left to the States to deter-

mine. But going down to the last sentence in that paragraph, it is to be noted that the standards of eligibility to be used by each State shall be subject to the approval of the Secretary.

There again, Mr. Chairman, we are centralizing authority in the Secretary. This happens to be the Secretary of Agriculture. In my opinion, if this program is to be put into effect, it should be put into effect by the Secretary of Health, Education, and Welfare because this is admittedly a welfare program and as it stands we, I think, for the first time are placing the Department of Agriculture into a full fledged general welfare program. I think it is wrong. If we are to have any concern for the proper organization of government, this program should be in the Department of Health, Education, and Welfare. It should not be in the Department of Agriculture; it is not a farm program.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman.

Mr. HAGEN of California. Assuming that this were in HEW, would you be any more inclined to support it?

Mr. HUTCHINSON. I would answer the gentleman from California in this way, that the bill would require a considerable amount of further amendment. But I think it would improve the bill and I would be somewhat happier with it if it were in HEW.

Mr. HAGEN of California. With respect to the very element that you mentioned, I do not recall any amendments and there were some 63 amendments adopted to this bill in its progress through our committee, which would have spelled out in every detail the regulations that the Secretary would administer and so forth. It is totally impossible to do that in a congressional committee and in a Congress itself. There is no more delegation of power here than there is in a hundred other programs that the Federal Government operates.

Mr. HUTCHINSON. I would answer the gentleman by saying that there is too much delegation of power, nevertheless. Congress should do a better job of attempting to hold unto itself a control over the legislative power in this Government.

It has been argued during this debate that the program will apply to areas. I do not know what "areas" are. "Areas" are not defined.

Reference has been made to communities. Perhaps it is the intention that this program will be permitted in certain portions of States and not in others. It is not clear to me now exactly who will determine in what portions of what States the program will be permitted, unless it is to be a determination by the Secretary of Agriculture.

The language of the bill says that there shall be a State agency which shall have responsibility for the certification of applicant households and for the issuance of coupons. There shall be a State agency for that. It is quite clear to me that it is intended to apply statewide, and not community by community.

The term "State agency" in the bill is defined as the agency of the State government which has responsibility for the administration of federally aided public assistance programs; and it seems quite clear that that is a welfare agency, not an agricultural agency. Again I say that this is a welfare bill and not an agricultural bill.

On page 9 of the bill, starting at line 16, there is a proviso which is very troublesome to me. At a proper time I intend to offer an amendment to amend the language. The proviso is:

Provided, That the State agency may, subject to approval by the Secretary, delegate its responsibility in connection with the issuance of coupons to another agency of the State government.

This is an illustration of the Congress of the United States unnecessarily and quite improperly interfering with the internal operation of the State government. Right here we would completely upset State budgetary practices. If, according to a State law, the department of social welfare of a State, let us say, had appropriated funds with which to carry on this particular food stamp program, under this proviso and this language, I submit—since Federal law supposedly is superior to State law at every point—it would be possible for that State agency, without any regard for the legislature at all, to delegate its authority to another agency. I believe it would be interfering unnecessarily with the internal operation of a State government. Certainly at this point this bill must be corrected, if we have any respect for our States at all.

The bill is clearly intended to go far beyond the needs of people who are participating in present welfare programs, because under the language on page 16 of the bill the Secretary would be authorized to cooperate with State agencies in the certification of households which are not receiving any type of public assistance, and under those circumstances there would be a formula for the Federal Government to pay 50 percent of additional administrative costs to broaden that program.

All of it, in the end, seems to be tied up completely with the discretion, perhaps the political motivations, of whoever happens to be Secretary of Agriculture.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from California.

Mr. TEAGUE of California. I just want to state for the Record that I should like to compliment the gentleman from Michigan for the splendid statement he has made and also to express my agreement with him in being opposed to the bill for the several excellent reasons he has given.

Mr. HUTCHINSON. I thank the gentleman from California [Mr. TEAGUE].

There is one further point that I would desire to make at this time, and that is this: If this bill is enacted, presumably then we will have this permanent food stamp program on the books financed through the appropriation procedures of the Congress, but at the same time we will also have on the books legislation

authorizing the Secretary of Agriculture to carry on a similar program with section 32 funds. If the Secretary of Agriculture should believe the Congress did not appropriate enough money, for the food stamp program, he would be in a position to supplement it with section 32 funds. If we are going to have this permanent food stamp program, we should cut off his right to use these section 32 funds for this program. Otherwise, I submit, the congressional will and the Appropriations Committee control will be completely superseded.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MATTHEWS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman and members of the committee, I rise in support of this legislation. I have listened with a great deal of interest to the debate which has occurred on the bill so far. I listened with a great deal of interest to the debate that occurred upon the rule, and I heard some Members talking about a deal that had been made.

Some implied that this bill might be connected with another piece of legislation that might be brought up later in the week. There was an implication left, at least in my mind, by some of the Members who spoke, that such things were new and that such things indicated that our form of government was changing. I just wonder how good students of American history those people are who talk about those things today.

I would like to remind all of you to go back to the Congress of the United States that met in the great city of Philadelphia in 1790, in the early days of this country. You will recall that Philadelphia was the Capital of the United States at that time. There was a great deal of talk among the Northern States about the fact that they would like to move the Capital out of the great metropolitan area of Philadelphia, out into the countryside of Pennsylvania. A section was chosen on the banks of the Susquehanna River, and the Federal Government bought a tract of land, and there the Capital of the United States was to be built. However, it seems in that Congress there was a gentleman who came from New York. He is now, today, and was then recognized as one of the great statesmen of all times—Alexander Hamilton. Alexander Hamilton had an idea that the States which had participated in the rebellion were all finding themselves in difficulty. There were riots in Massachusetts, there were people in Rhode Island who had risen in rebellion against the authority because of their heavy State debt. Mr. Hamilton's idea was that it would be very, very popular and very, very profitable and would help to pull together these 13 States in a new country, to have the Federal Government assume all of the debts of the rebellion that had been incurred by all of the States. And so he made a deal with the congressional delegation from Pennsylvania. And what

was the deal? If the delegation from Pennsylvania would vote for the relocation of the Capital of the United States in the South, on the banks of the Potomac, the delegation from Virginia would support the proposition of assuming all of the debts of all of the States that participated in the rebellion. And on the 16th day of July, 1790, the Relocation Act was passed and Washington, now Washington, D.C., became the Capital of the United States. And on August 4, 1790, the Assumption Act was passed and the U.S. Government assumed all of the responsibility and all of the debts that all of the individual States and Colonies had incurred during the rebellion.

So that if somebody has made a deal with regard to this bill today and another one that may be called up later this week, I just want to say that the Republic has existed from 1790 with deals being made, and it is going to continue to exist for a long, long time even though another deal has been made.

Mr. GROSS. And all that happened in Philadelphia?

Mr. SAYLOR. It happened in Philadelphia. And I do not know anybody who wants to move the Capital from Washington, D.C.; and we have had a great National Government since that time, and I am sure it will continue to grow for years.

Mr. Chairman, there has been a lot of talk as to whether or not this is a welfare program or whether or not it is a program to assist farmers. I never knew of a welfare department that produced any food. Welfare departments merely handle money and enable people who are in need of relief to get it. Food is produced by farmers. The basic purpose of this act is to enable those people who must look to relief agencies for the manner in which to get their food, as a matter of supplementing what they otherwise have of the necessities of life. I can tell you from my personal experience, because one of these food stamp programs has been put in effect in one of the counties that I represent.

At the time the committee held hearings I asked the people in my home county who handled this program whether or not they approved it. Here is a letter from Mr. Edward R. Golob, the executive director of the relief agency in Johnstown, Pa. His letter will tell you of the success the people have had in handling that program.

DEAR MR. SAYLOR: Thank you for your letter of May 20, giving me an opportunity to comment on the Federal food stamp plan.

We who are responsible for administering the plan in Cambria County favor it tremendously over the direct distribution plan; the beneficiaries of the program almost unanimously favor it; and, the business community likes it very much.

We like the stamp plan because it more adequately provides for the welfare of the individual through better nutrition; it takes Government out of competition with private business because the plan is operated through the regular channels of commerce and finance; it eliminates inadvertent and unintentional waste; it is dignified; and it is convenient.

Through this plan the eligible consumer buys what he wants, when he wants it or

needs it. He can always have fresh food-stuffs in his home. Through this plan he can vary his diet.

Under the direct distribution plan, people many poorly clothed and some perhaps ill, had to stand in long queues on specified days (rain or snow) and at specified hours (or miss out), with boxes, baskets, or some other type of container to receive and lug home their surplus food items. The selection was limited to possibly three or four different items. Common items were cornmeal, cheese, dried milk, rice, etc. They were given impractical large amounts of the same item because the distribution was made only once a month, and it was, I guess, intended to be a month's supply. I've heard of families getting 20 pounds and more of cheese and large amounts of cornmeal and dried milk, which many children didn't like and didn't drink. You can only use so much milk in cooking. The first month 20 pounds of cheese or cornmeal or rice was not bad. It was probably relished. The second month it was OK, but by the third month, and after, you could hardly look at it let alone eat it. So you gave it away or threw it away—a terrible waste. Then there was spoilage to contend with because many of the poor did not have adequate refrigeration to cope with large amounts of perishables.

This plan involved an additional extra cost to the taxpayer in that you had to set up storage, refrigeration, transportation, and a staff to receive, store, and distribute the food. The sad part of this in addition to the above noted and other disadvantages was that this was all in direct (unintentional, but the nature of the beast) competition with the retail merchant. This plan adds nothing to the economy but takes from it to the extent of the additional costs to set up and staff a highly inefficient duplicate distribution system.

In contrast, the food stamp plan uses the regularly established and highly experienced and efficient channels of commerce and finance.

The food coupons (stamps) are bought by eligible participants at regularly established commercial banks. The participants then use these coupons in any approved retail outlet. This can be with any store, the milkman or the breadman.

The participant can buy with these coupons any edible domestic food product. Through the increased purchasing power of the individual because of the bonus coupons, more food products are moved through normal trade channels from the farm to the consumer. This should help reduce farm surpluses. The individual can buy what he wants when he wants it, and only as much as he needs or will and can use. Waste and spoilage is reduced to what occurs in any normal household. Deliberate waste and unpreventable spoilage, however, is eliminated.

The food stamp plan is an accountable system which is apparently not the case with the direct distribution plan. Eligibility is determined according to rules by an experienced staff. Under the direct distribution plan in Cambria County some 40,000 persons were certified as eligible and participating in the program. Under the food stamp plan this number has been reduced to less than 14,000 persons.

Newspapers, daily and weekly; radio, Johnstown, Ebensburg, Portage, and Barnesboro; television; and throwaway pamphlets were all used to publicize the program. People should know about it. So this is not the reason for the reduced number of people participating in this program.

The banks seem to like the plan because it brings people into their institution, it is a service to some of their customers (low- and marginal-income families ineligible for public assistance are eligible for food coupons), and they are paid a fee of 35 cents for each transaction. To date, from March 1 to May

15, the banks have earned \$5,773.95. This is new money in the county; that is an addition to the local economy.

The stores like it because it has increased their business. It is helping to get some of their accounts on a cash basis. Food coupons may not be used to pay back bills and may be used only for cash transactions; but the increased purchasing power with the bonus coupons makes it possible to pay a little on back bills from remaining cash on hand.

It is perhaps too early to establish how much increase there is in business or in what food products. However, I've heard that some stores have had to hire extra "carry out" help, one large store in Johnstown, the first Saturday after the start of the plan on March 1, claimed its best food department day in months, and there have been no complaints.

From March 1 to May 15 eligible participants have purchased from their own cash \$443,589 food coupons; in turn they received \$678,197 worth of coupons which represents a total of \$234,608 increased purchasing power and new money in the community. This is another addition to the economy.

I have heard that in one, maybe more, of the pilot stamp areas the community reduced its own public assistance grant equal to the value of the bonus coupons. In my opinion this is not "cricket." You lose any of the benefits to participants, retailer, and farmer through increased purchasing power. To do this only transfers to the Federal Government in an indirect way an additional portion of the cost of public assistance. Such a move defeats the entire purpose of the food stamp plan because it negates any increased food purchasing power. I would recommend strongly that any legislation would include prohibitions against such action by the State or local community. It will be of interest to you to know that the receipt of food stamps has been the difference in a family coming onto the assistance rolls and being able to stay off them. This is a happy experience for our staff.

The vast preponderance of the participants like the plan and have expressed themselves as follows: "like food stamps," "manage better," "better than surplus food," "children can have fresh milk," "first time we've had fresh fruit and fruit juices in years," "now I can buy lunch meat for school lunch," "first time we've had bacon (a side, not sliced) in years," and many more similar comments. It has been a morale building experience especially for mother and child. For the mother because she can now feed her family with some imagination, variety, and higher standard, including some meat for a decent Sunday meal; and for the children in school a lunch with some meat, maybe fruit, and even a cookie, like the other children have, and not just a jelly bread sandwich gobbled in secret and embarrassment and boredom.

Older people have commented to our caseworkers that now they can purchase food they can eat. People with special diets can buy some if not all the foods they should have in their diet.

My staff and I highly commend to you the food stamp plan for its dignity, its convenience, its purpose, and its economy over the surplus food direct distribution plan. In no way should the school lunch program be affected. With regard to this program though, it seems to me that there should be a stronger requirement that children of indigent or low-income families be provided lunches without cost and that paid school employees not be allowed the lunch at a low cost.

Sincerely yours,

EDWARD R. GOLOB,
Executive Director.

I saw Mr. Golob last week and I asked him whether or not he was of the same opinion now as he was when he wrote the original letter. He told me that he was not only in favor of it then but he was a great deal more in favor of it now.

He wrote me a letter and I would like to read it. It is addressed to me and it states:

CAMBRIA COUNTY BOARD OF ASSISTANCE,
Johnstown, Pa., April 2, 1964.

HON. JOHN P. SAYLOR,
Congress of the United States,
Washington, D.C.

DEAR MR. SAYLOR: Last year, in May, you invited me to comment on the Federal food stamp plan. I did in a letter to you which you apparently found useful. We now have had a year's experience with the plan. I thought you might be interested in my current estimate of it as a result of our experience.

I want to reaffirm all that I said in my previous letter to you. The plan is much preferred by all—people and business—over the direct distribution of surplus food plan. It is dignified, it is efficient, it is auditable—there is no waste. It recognizes the dignity of man takes government out of competition with business.

It seems to me that the latter is a matter that should be given more consideration. Income from the food stamp plan has been the difference for some small retailers of being able to continue in business and hanging up the "out of business" sign. As long as he stays in business he will pay taxes; he will buy more from the wholesaler who because of increased business will pay more taxes; and so on back through the processor to the farmer. This then is not only an assist to the farmer because of an increased demand for his products and to the individual by increasing his food purchasing power, but to business too. All benefit by this plan, including government through tax receipts. Can the same be said for the direct distribution of surplus food plan?

For the year March 1, 1963 through February 29, 1964, in Cambria County, there was a total of 64,754 purchases of food coupons from 28 banking outlets in the county. The Commonwealth of Pennsylvania pays each bank a fee of 35 cents for each sale. The banks therefore earned \$22,663.90—new money in the community. The banks sold a total of \$2,583,817 worth of food stamps. Of this amount participants paid \$1,691,593 in cash and the difference of \$890,774 was new money in the community because of the bonus stamps to be redeemed by the Department of Agriculture.

I think it should be noted that the use of the food stamp plan made it possible for some marginal income families to stay off the assistance rolls—a savings in matching funds from the Federal Government. It acts as a cushion against inflation for persons with fixed incomes such as social security benefits, private pensions, veteran's benefits, unemployment compensation, and the like.

Recapitulating, people like this plan because it is dignified, it is practical, it permits freedom of selection of foodstuffs, it is not wasteful; business (retailers, wholesalers, processors, transportation) likes it because it has increased their business; the farmer should like it because there is a greater demand for his products. In time, like water seeking its own level, the farmer will switch his efforts from producing items in surplus to items in demand.

We have experienced two basic complaints: (1) Some aged persons tell us they "can't eat this much food"; (2) some people during the winter months, in poor housing, have large heating costs and don't have enough

money left with which to buy the required amount of food stamps for their income and size family.

This latter complaint is one of regulation. I have reported it to the proper officials for consideration in modifying the rules. Whether something will be done about it I don't know, but it is a real dollar and cents problem. The complaint of some of the older persons we have discussed with our medical consultant. He informs us that it isn't that this is too much food for them but rather that they don't want to bother preparing food.

In contrast, we do have many older people who are thrilled with the plan and what it enables them to do by participating in it. Families with children can't praise it enough.

Sincerely yours,

EDWARD R. GOLOB,
Executive Director.

When I appeared as a witness before the Committee on Agriculture of the House of Representatives on Tuesday, June 11, 1963, I was asked a number of questions by the members of the committee with regard to the operation of the pilot plan in Cambria County, Pa. The colloquy between myself and members of the committee appears on pages 56 through 59 on the printed hearings on H.R. 5733, serial 0, food stamp plan.

Mr. Golob, after reading the testimony, forwarded another letter to me which I believe fully explains how this program has operated in Cambria County, Pa. His letter, and substantiating data, are as follows:

CAMBRIA COUNTY BOARD OF ASSISTANCE,
Johnstown, Pa., April 2, 1964.

DEAR JOHN: I'd like to comment informally on some of the questions asked you the last time you testified before the committee.

One question was, why there was so large a difference in the number of participants—40,000 direct distribution plan and only 14,000 food stamp plan.

May I suggest that the direct distribution plan was administered with only two or three untrained paid staff and the others were all volunteers. They were neither skilled nor trained in interviewing and verifying resources. Maybe they were timid in pressing for information. They accepted any visible piece of paper without understanding it. For example, one case comes to mind because it happened to us when we transferred to food stamp. The person showed a 15-year-old social security benefit award letter, although benefits had been increased in the meantime. We required verification of current benefits. The volunteer would have no knowledge of such increased benefits. Another case, a person showed us a \$40 a month pension check but we found \$9,000 in a bank account to which no interest had been added for 6 or 7 years. She was ineligible, and we advised her to get the interest added, etc. Volunteers had declared her eligible.

Our determination of eligibility is professional by trained personnel; the previous determination was by good intentioned but untrained and inexperienced people who did not want to hurt anyone's feelings.

Another question was how much the banks earned. They are paid 35 cents a transaction, which is for the sale of the proper amount of coupons. It makes no difference if it is a \$10, \$35 or \$100 sale. The fee is to cover the bank's expense of storage of coupons, time of personnel in making sale and necessary reports and mailing costs.

If a bank has 10 transactions in a month they would be paid \$3.50 for their work. If they had 100 transactions the following month they would be paid \$35.

The Westmont Branch of the U.S. Na-

tional Bank averages about 66 transactions a month and this earns an average of \$23.10 a month. The main office of the Johnstown Bank & Trust Co. averages 624 transactions a month; they earn an average of \$218.40 a month.

Who may participate in the plan? It depends on size of family and income. All families on assistance are eligible if they wish to participate. They use a part and not all of their food allowance to purchase the stamps.

For example, a family of four can get a maximum assistance grant of \$157. Of this amount \$88 is for food. The food stamp plan requires that they use \$60 of the \$88 for buying stamps. For \$60 they get \$90 worth of stamps—a \$30 increase in food purchasing power. Of the original \$88 they still have \$28 remaining for coffee, tea, soaps, household supplies or imported edibles.

There is no \$50 minimum. You pay according to income and number of persons dependent on that income. For example, again, this family of four would only pay \$3 cash for \$25 worth of stamps if their income was less than \$20; if their income was between \$90-\$100 they would pay \$20 for \$38 worth of stamps, etc. It is graduated. See attached charts.

Finally, who should bear cost—welfare or agriculture. Let us face it; this is a program to move farm goods. Fortunately we can do this by encouraging people and making it possible for them to buy more food—be it meat, dairy products or vegetables. My personal opinion therefore is that this is an agricultural program and not a welfare program. The beauty of the plan is that two purposes are accomplished with the same dollar of expenditure—you move farm products by improving the diet of a low-income family.

Cordially,

EDWARD R. GOLOB.

Basis of semimonthly issuance, food stamp program

1-PERSON HOUSEHOLD

Monthly income	Cash required	Total coupons
0 to \$19.99	\$2	\$7
\$20 to \$29.99	4	8
\$30 to \$39.99	5	9
\$40 to \$49.99	6	9
\$50 to \$59.99	7	10
\$60 to \$79.99	8	11
\$80 to \$99.99	9	12
\$100 to \$109.99	10	13

2-PERSON HOUSEHOLD

Monthly income	Cash required	Total coupons
0 to \$19.99	\$2	\$12
\$20 to \$29.99	4	14
\$30 to \$39.99	6	15
\$40 to \$49.99	8	17
\$50 to \$59.99	9	18
\$60 to \$69.99	10	19
\$70 to \$79.99	12	20
\$80 to \$99.99	14	22
\$100 to \$119.99	16	24
\$120 to \$139.99	18	25
\$140 to \$159.99	20	26
\$160 to \$169.99	22	27

3-PERSON HOUSEHOLD

Monthly income	Cash required	Total coupons
0 to \$19.99	\$3	\$19
\$20 to \$29.99	5	21
\$30 to \$39.99	7	22
\$40 to \$49.99	9	24
\$50 to \$59.99	11	25
\$60 to \$69.99	13	27
\$70 to \$79.99	15	28
\$80 to \$89.99	17	30
\$90 to \$99.99	19	31
\$100 to \$119.99	21	33
\$120 to \$139.99	24	35
\$140 to \$159.99	27	37
\$160 to \$179.99	30	39
\$180 to \$199.99	33	41
\$200 to \$204.99	35	42

Basis of semimonthly issuance, food stamp program—Continued

4-PERSON HOUSEHOLD

Monthly income	Cash required	Total coupons
0 to \$19.99.....	\$3	\$25
\$20 to \$29.99.....	5	26
\$30 to \$39.99.....	7	28
\$40 to \$49.99.....	10	30
\$50 to \$59.99.....	12	32
\$60 to \$69.99.....	14	33
\$70 to \$79.99.....	16	35
\$80 to \$89.99.....	18	36
\$90 to \$99.99.....	20	38
\$100 to \$109.99.....	22	39
\$110 to \$119.99.....	24	41
\$120 to \$139.99.....	27	43
\$140 to \$159.99.....	30	45
\$160 to \$179.99.....	33	47
\$180 to \$199.99.....	35	48
\$200 to \$219.99.....	37	49
\$220 to \$239.99.....	39	50
\$240 to \$244.99.....	41	51

9-PERSON HOUSEHOLD

0 to \$29.99.....	\$5	\$43
\$30 to \$39.99.....	7	44
\$40 to \$49.99.....	10	46
\$50 to \$59.99.....	12	48
\$60 to \$69.99.....	15	50
\$70 to \$79.99.....	17	52
\$80 to \$89.99.....	20	54
\$90 to \$99.99.....	22	56
\$100 to \$109.99.....	25	58
\$110 to \$119.99.....	27	60
\$120 to \$129.99.....	30	62
\$130 to \$139.99.....	32	64
\$140 to \$149.99.....	35	66
\$150 to \$159.99.....	37	68
\$160 to \$179.99.....	40	70
\$180 to \$199.99.....	43	72
\$200 to \$219.99.....	46	74
\$220 to \$239.99.....	49	76
\$240 to \$259.99.....	52	78
\$260 to \$279.99.....	55	80
\$280 to \$299.99.....	57	81
\$300 to \$319.99.....	59	82
\$320 to \$339.99.....	61	83
\$340 to \$359.99.....	63	84
\$360 to \$379.99.....	65	85
\$380 to \$399.99.....	66	86
\$400 to \$419.99.....	67	86
\$420 to \$424.99.....	68	87

10-PERSON HOUSEHOLD

0 to \$29.99.....	\$5	\$45
\$30 to \$39.99.....	7	46
\$40 to \$49.99.....	10	48
\$50 to \$59.99.....	12	50
\$60 to \$69.99.....	15	52
\$70 to \$79.99.....	17	54
\$80 to \$89.99.....	20	56
\$90 to \$99.99.....	22	58
\$100 to \$109.99.....	25	60
\$110 to \$119.99.....	27	62
\$120 to \$129.99.....	30	64
\$130 to \$139.99.....	32	66
\$140 to \$149.99.....	35	68
\$150 to \$159.99.....	37	70
\$160 to \$179.99.....	40	72
\$180 to \$199.99.....	43	74
\$200 to \$219.99.....	46	76
\$220 to \$239.99.....	49	78
\$240 to \$259.99.....	52	80
\$260 to \$279.99.....	55	82
\$280 to \$299.99.....	57	83
\$300 to \$319.99.....	59	84
\$320 to \$339.99.....	61	85
\$340 to \$359.99.....	63	86
\$360 to \$379.99.....	65	87
\$380 to \$399.99.....	67	88
\$400 to \$419.99.....	69	89
\$420 to \$439.99.....	70	90
\$440 to \$459.99.....	71	91

NOTE.—Families in excess of 10 persons: The cash required is the same as shown by income levels for a family of 10, with a maximum semimonthly of \$71. The total of coupons is the same as shown by income levels for a family of 10 plus \$2 semimonthly for each person in excess of 10.

Basis of semimonthly issuance, food stamp program—Continued

EXCLUSION POINTS, INCOME AND ASSETS

Persons in household	Monthly income limitation	Assets limitation
1.....	\$110	\$330
2.....	170	510
3.....	205	615
4.....	245	735
5.....	280	840
6.....	315	945
7.....	350	1,050
8.....	390	1,170
9.....	425	1,275
10.....	1 460	1 1,380

¹ For each additional member of household add \$30.
² For each additional household member add \$90.

FOOD STAMP PROGRAM: FACTS FOR FAMILIES WHO WANT FOOD COUPONS

(Informational leaflet No. 9)

PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE AND U.S. DEPARTMENT OF AGRICULTURE, DECEMBER 1962

FOOD STAMP PROGRAM

REASONS FOR THE FOOD STAMP PROGRAM

The program makes possible for low-income families to buy better foods and more foods, to have more satisfying and better balanced meals, to select the foods they want. The program increases business for food outlets in the county, and in this way helps other business.

WHAT FOODS CAN FAMILIES BUY WITH THE COUPONS?

All foods for human use may be bought with food coupons except alcoholic beverages, tobacco, coffee, tea, cocoa (as such), bananas, and all imported foods where the package clearly indicates the food is imported.

You cannot use food coupons to buy pet foods, nonfood items such as soaps, household supplies and equipment, or any other non-edible items.

You cannot use food coupons to buy "lunch counter" or prepared foods for eating on the premises.

WHERE CAN FAMILIES BUY FOOD WITH COUPONS?

In any retail grocery store, supermarket, dairy, or bakery in the county that participates in the program.

From any food home delivery service in the county that participates in the program.

Food coupons cannot be sold or given away.

Food coupons cannot be used for any purpose except to buy food.

Do not remove food coupons from the coupon book until you use the coupons to buy food.

HOW FAMILIES EAT BETTER BY GETTING FOOD COUPONS

You pay for some food coupons and at the same time you get extra ones free. This way you are able to buy more food.

You must buy and pay for the coupons regularly twice a month. If you miss buying more than once, you will have to apply again before you are allowed to buy any more.

You buy and pay for the same amount of coupons each time. And each time you get the same amount of free coupons.

The amount of coupons you buy and the amount you get free depend on the amount of your income and the size of your family.

EXAMPLES

A family of four with \$120 gross monthly income must buy \$27 worth of coupons

twice a month to get \$16 worth of coupons free each time.

A family of six with \$185 gross monthly income must buy \$40 worth of coupons twice a month to get \$21 worth of coupons free each time.

A family of 10 with \$400 gross monthly income must buy \$69 worth of coupons twice a month to get \$20 worth of coupons free each time.

Families with very little income will get free coupons without paying for any.

DENOMINATIONS OF FOOD COUPONS

There are 50-cent coupons and \$2 coupons. They come in coupon books worth \$2, \$3, \$10, \$20.

Your eligibility for food coupons depends on monthly gross income, liquid assets, number of persons in the household.

A household with income or liquid assets higher than the amounts listed below is not entitled to food coupons.

Number of persons in household	Gross monthly income limit	Liquid assets limit
1.....	\$110	\$330
2.....	170	510
3.....	205	615
4.....	245	735
5.....	280	840
6.....	315	945
7.....	350	1,050
8.....	390	1,170
9.....	425	1,275
10.....	460	1,380

For a household of more than 10 persons. Add for each additional person, \$30 gross monthly income, \$90 liquid assets.

Income means money you get again and again—like wages, pensions, unemployment compensation, social security benefits, disability payments, public assistance.

Liquid assets are cash you have on hand or in the bank, and U.S. savings bonds.

Household is any group of persons who live in the same unit, share food costs, and eat together.

TO BE ENTITLED TO FOOD COUPONS

You have to be living in a county having a stamp program.

You have to have cooking facilities in your home.

YOU ARE NOT ENTITLED TO FOOD COUPONS

If you are eating all your meals in restaurants.

If you are boarding.

If you are in a nursing home.

APPLYING FOR FOOD COUPONS

WHO APPLIES

The head of the household is the one who should apply. If he is unable to, the wife or other adult member of the family may.

WHERE AND HOW TO APPLY

You apply in person at the office of the county board of assistance of the county in which you live.

To help us decide if you are eligible, we will ask you to tell us your name and address; whether you have cooking facilities; how many persons are in your household, and what income and other liquid assets each one has. We will also ask you to show us the kinds of papers listed below.

PAPERS TO BRING WHEN YOU APPLY

Please bring with you when you apply:

1. Social security card—driver's license—or other personal identification.

2. Rent receipts or records of mortgage payments.

3. The following records to show the income and other liquid assets of each member of the household:

- State Employment Service Registration card for unemployment compensation.
- Letter of award for social security.
- Names and address of people or companies each one works for. Latest pay stubs, too, if you have them for wages.
- Letter or notice for workmen's compensation, veteran's benefits pension.
- Bank book for savings account, checking account.
- The number of U.S. savings bonds (series E) which you have and the amount you paid for each bond.

IF YOU ARE ELIGIBLE

If you are eligible for food coupons, you will get:

Identification card for Federal food coupons: The head of the household or the person applying in his place must sign the identification card. The identification card may not be sold or given to anyone. You must carry your identification card with you each time you buy coupons and get free coupons, each time you buy food with coupons.

FOOD COUPON AUTHORIZATION

If you are eligible for food coupons, you will get a food coupon authorization twice a month. It will show the cash you must pay, the total amount of food coupons you will get, and when you must buy the coupons.

Most banks in the county will sell coupons. You must show the food coupon authorization and the identification card each time you get coupons.

Mr. Chairman, I certainly hope that the House will pass this bill tomorrow when we have an opportunity to vote on the food stamp plan.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I would be happy to yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I would like to ask the gentleman from Pennsylvania whether or not his State which is now under the pilot plan could stand the 50-50 provision as contained in the bill?

Mr. SAYLOR. The State of Pennsylvania could not at this time stand that 50-50 provision and I shall support the amendment which will be offered by the gentleman from North Carolina [Mr. COOLEY] to remove that provision. A few days ago, I received a letter from the Honorable Arlin M. Adams, secretary of the Department of Public Welfare affirming this position. His letter is as follows:

DEPARTMENT OF PUBLIC WELFARE,
Harrisburg, March 24, 1964.

Hon. JOHN P. SAYLOR,
The House of Representatives, Congress of the United States, Washington, D.C.

DEAR CONGRESSMAN SAYLOR: H.R. 10222—the Food Stamp Act of 1964—was reported favorably by the House of Representatives Committee on Agriculture on March 9, 1964. On March 19, 1964, the Committee on Rules granted an open rule, with 4 hours of debate on this bill.

This bill would make the food stamp program permanent and expand it into every locality for which a State public assistance agency requests the program.

A major change from the present program is contained in section 16(b) of H.R. 10222. This would require the State to pay 50 percent of the cost of the free coupons. Presently the Federal Government pays the entire cost of the free coupons.

The present food stamp program has been so successful in the four pilot program areas in Pennsylvania (city of Pittsburgh and counties of Cambria, Fayette, and Luzerne) that we would welcome its continuation in these areas and expansion to other parts of the State. However, payment of 50 percent of the costs of the free coupons would mean a heavy financial burden for Pennsylvania for which we are not prepared. The State budget contains no funds for this purpose and revision of the budget would require reduction of essential expenditures for other necessary programs.

The following cost estimates are based upon our experience in the four areas in Pennsylvania where the food stamp program is in operation:

Annual Pennsylvania costs for food-stamp program

	Admin- istration	Coupons	Total
Without State payment for free coupons:			
Present 4 areas.....	\$500,000	0	\$500,000
Entire State.....	4,000,000	0	4,000,000
With 50 percent State payment for free coupons:			
Present 4 areas.....	500,000	\$3,000,000	3,500,000
Entire State.....	4,000,000	30,000,000	34,000,000

I solicit your support for an amendment to H.R. 10222 which will continue Federal payment of the entire cost of free coupons. I believe that Federal payment of these costs is justifiable not only because of the heavy burden that would be imposed upon Pennsylvania by payment of 50 percent of the costs but also because the food stamp program is primarily a means of strengthening the agricultural economy—traditionally a field of Federal activity—and is only incidentally a welfare program.

Sincerely yours,

ARLIN M. ADAMS.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. MAY].

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, may I begin by explaining that my stand on this legislation is that I am opposed to the expansion of the food stamp plan at this time. I think it would be fair to say that I come here today not so much to oppose the food stamp plan per se but to express the voice of caution before we take too many irrevocable steps in embarking on such a far-reaching and costly program on which there are still so many unanswered questions.

I was one of those who served on the special subcommittee to study the food stamp plan and we had some very informative sessions with representatives of the USDA on its mechanics. I also visited Uniontown, Pa., in company with my colleagues on this subcommittee and saw one of the better pilot projects in action. From this experience I have reached certain conclusions that I should like to make a basis of my further remarks in opposition to the bill passing at this time.

First. If you left all other factors out of your consideration and compared the present distribution of surplus food program with the actual mechanics of the food stamp plan I would find the food stamp approach preferable. In the one

pilot project I saw I approved of the methods that were being used to certify qualified recipients of food stamps. I felt that in Uniontown they were doing a good job of policing the program. The banks that were handling the selling of the food stamps were making a good profit and the stores that were participating in the program were doing a fine job of merchandising.

By way of explanation of the profit one banking firm is making, a spokesman for the Galetton National Bank and its several subsidiary banks throughout Fayette County told us that they had collected \$30,000 in gross receipts for handling food stamp coupons. The bank's actual profit was the amount left after their expenses, which we were told included hiring an extra employee and purchasing a machine for canceling the stamps. We were told the banks charge 35 cents per transaction, which was paid for by the State of Pennsylvania.

Parenthetically, however, I would like to say here that a great many retail grocers have expressed their support of this food stamp plan on the basis that they feel it would circulate many more food dollars through all their stores. Frankly, I think this may be a highly optimistic preconclusion. From my study of how it is working in the Uniontown area, it seems quite apparent that as this program shakes down there will be certain grocery stores in strategic areas who will find it to their advantage to key the bulk of their grocery business to the patronage of food stamp customers and this will leave the majority of grocers in the position of receiving only a token income from the food stamp source.

Second. I approve of this program's goal to try and help out low-income families to put more of their dollars into food that provides an adequate and balanced diet. Of course, we have been trying to do this with our families on welfare for many years and have not been successful.

Third. I cannot agree that this program when implemented to its full potential will not require more employees for both State and Federal level to carry on increased activity in policing it, educating the retailers and giving good screening to the applicants.

Fourth. I also feel that this program should require some State participation. I am not prepared to say at just what level this State participation should be and I do not think that any of us can come up with a sound conclusion on this point with the evidence we have so far available from the pilot projects that have been carried on in the past 2 years. As to cost, here again we have absolutely no firm figures to go on or to use when we try to sell this program to the taxpayers of America.

If you want to take the full potential of a nationwide food stamp program and base it on the needs of these people, here is what you get—one-sixth of the Nation's population of 195 million people comes out to 32 million people. Using figures from both the distribution and the food stamp plans we must assume an average help per person in either pro-

gram of \$5 a month in food value. In other words, \$5 worth of food paid for by the taxpayers and given to needy people. If you gave \$5 worth of food a month to 32 million people you would spend \$160 million a month or \$1.9 billion a year. If you tried to give them \$10 worth of food a month that would cost you \$3.8 billion a year. That is the present potential of a nationwide program of bringing help to every person who is in need of food. Now, let us look at what we will spend on the pilot project right now. We have 43 projects in action at an estimated cost of \$1 million a project. Testimony shows that there are 240 more areas that have applied to come under the food stamp plan. In other words, if this bill passes the Government would immediately be asked to provide for projects on hand that would cost you \$283 million a year. This bill calls for an appropriation of only \$75 million for the first year. It seems to me that the Secretary of Agriculture is going to have quite a problem as well as quite a political headache trying to determine which areas shall receive the benefits of the food stamp plan and which areas shall not.

These are general conclusions. Now, I would like to talk to you about a specific project in my own State. I have before me a report made to me by the director of the food stamp pilot project in Grays Harbor County in the State of Washington, Mr. L. L. Hegland—may I submit the opinion that is expressed in this report is a bipartisan one. Mr. Hegland is the direct appointee of our Governor Rosellini who is a Democrat. This is a pilot project in a distress area which was started last summer. I have been watching it with great interest as part of my study of this whole proposed plan. Previous to this there was a pilot project in the neighboring State of Oregon in the city of Portland that was far from an unqualified success. There is a pending pilot project in my own hometown of Yakima in my district which has been delayed, I assume, because of the experience they have had in Grays Harbor. Let me present to you in his own words the testimony of the man who has had the direct responsibility at the State level for this food stamp plan in Grays Harbor.

Mr. Hegland provided me with a report comparing the direct food distribution and food stamp distribution programs in the State of Washington. He also provided a food stamp questionnaire summary which was conducted in Grays Harbor County in which they mailed to all nonrecipients who had used the direct food distribution program a questionnaire. This report shows that over half of the people who no longer participate are unable to do so because of the limitation of their cash funds. Bear in mind that these are people who are not on assistance.

Mr. Hegland concludes:

On the basis of the survey and the fact that approximately only one-third of the eligible people in Grays Harbor County are using the stamp program, we have some real question about the expansion of this program.

Mr. Hegland goes on to say:

Basically, the surplus commodity distribution program was designed to do two things—use up surplus foods and supply a more adequate diet to persons of low income. It appears that the food stamp program accomplishes only a part of this, and the direct food distribution program does a much more adequate job both on using up surplus commodities and of being available to a larger number of low-income people.

Mr. MICHEL. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman.

Mr. MICHEL. Does this report disclose any figures which show the number of participants under both programs so that there might be more weight or significance attached to that statement?

Mrs. MAY. Yes, the report does. I included those figures, in the minority report on this bill and they show that for a comparable period in 1962—when we had the direct distribution program—a total of 10,032 people participated in Grays Harbor County, and for a comparable period under the food stamp plan in September to November, there were 3,281 people only. In other words, only 32 percent of those who had participated the year before were now participating. Incidentally, I asked representatives of the Washington State Department of Public Assistance if this could possibly be, as my distinguished colleague, the gentlewoman from Missouri has stated, because there were people on that program who should not have been on it. That was not an easy question to ask. Representatives of this department stated that they certainly felt they had done a very good screening job up to now on the direct distribution program.

Mr. MICHEL. It surely would be obvious from those figures that there was much more in surplus commodities consumed under the old system by direct distribution than under the food stamp plan where you got only a third of the people, and those obviously were buying other than surplus food commodities with the food stamps; is that correct?

Mrs. MAY. May I answer the gentleman by just giving you a list of the foods?

Mr. MICHEL. I think that would be very important for the RECORD.

Mrs. MAY. Mr. Hegland made a rather good point on this. Up to the time they switched to the food stamp plan, they had been giving to their people, who qualified under the direct distribution program, each month per person \$5.06 worth of food which included butter, nonfat dried milk, dried beans, milled rice, peanut butter, corn meal, flour, lard, canned chopped meat, rolled wheat, and cheese. He pointed out that this food which still gives a pretty basic diet was free to those people. In other words, if a family of five each get \$5, they were getting \$25 worth of free food, and a pretty good basic diet. Therefore, they had \$25 in cash from their income whether it be public assistance or other income to go into a grocery store and fill in with fresh vegetables and fruits and other things.

Mr. MICHEL. What kind of limitations are there, if the gentlewoman will yield further, on the kind of food that can be purchased under the food stamp plan? Are there any limitations?

Mrs. MAY. Yes; those are spelled out in the bill. They are imported foods, alcoholic beverages and tobacco. But all other foods would be available under the food stamp plan.

Mr. HAGEN of California. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman.

Mr. HAGEN of California. When the department made a study of that Gray Harbour situation, their figures differed somewhat from the ones you quoted. They say nearly 3,500 people were receiving welfare assistance in the county and less than half of that number, 1,052, would not bother to pick up their food available under the direct distribution program in the month of August 1963. Whereas 1,242 of those 3,500 eligibles participated in the stamp program. Apparently, the State conducted a survey and 96 percent of the recipients preferred the stamp program to the direct distribution. This is according to the Department of Agriculture which conducted a study of the situation there.

Mrs. MAY. Well, I can only tell the gentleman that I was in my district and talked to a representative of the department and he confirmed to me these figures, and the conclusions were the same. Their figures at the State level were carefully prepared and this is the report that was rendered. I can only say to the gentleman, these are the figures that I have prepared by the people who administered the food stamp plan.

Mr. Chairman, in conclusion, I support further pilot projects of the food stamp plan in the interest of getting more meaningful data on its efficiency to reach the goals we desire and, very importantly, as to what its overall costs will be. Since there is quite obviously a potential of annual expenditures of billions of dollars in a nationwide welfare program of this sort, I think it is imperative that we make haste slowly since I am sure that we all agree that once a program of this particular nature is launched and agreed to by the Federal Government, the dictates of political realities are that it will be very difficult, if not impossible, to stop or suspend.

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mr. HAGEN of California. Mr. Chairman, I yield myself 7 minutes.

(Mr. HAGEN of California asked and was given permission to revise and extend his remarks.)

Mr. HAGEN of California. Mr. Chairman, this food stamp program is truly a bipartisan program. The authors of various food stamp bills from time to time have included both Republicans and Democrats. However, I will say that if this legislation passes it will be principally a tribute to two persons, to the gentlewoman from Missouri [Mrs. SULLIVAN], and to the gentleman from Pennsylvania [Mr. SAYLOR], who have devoted many years of effort to securing

a more than temporary food stamp program.

Part of the history of this legislation is that it was advocated by the late President Kennedy. The Presidential support was reaffirmed by President Johnson. It has the support of labor. It has the support of church groups. It has the support of such a farm organization as the Farmers Union.

I was surprised today to learn that it was preferred to the direct distribution system by Don Paarlberg, who was the Chief Agricultural Adviser at the White House under President Eisenhower.

The history of this legislation is quite interesting. We held hearings before the full Committee of the House, and there was a great dispute about the details of the bill. As a consequence, the distinguished chairman of the committee [Mr. COOLEY] appointed a special subcommittee to develop language which would meet some of the objections.

The subcommittee went out into the field, to Uniontown, Pa., and examined a pilot project. We talked to the recipients. We talked to the wholesalers. We talked to the retailers. We talked to the welfare administrators. We even talked to the bankers who redeemed the stamps under contract with the Department of Agriculture. Unanimously, all these persons approved the program.

Following this visit, we sat down and discussed the details of the bill, and we adopted numerous amendments.

The bill then went to the full committee again, where more amendments were adopted. During the history of the consideration of this legislation some 63 amendments to the original proposal were adopted. I feel certain that all Members will agree with me that this indicates the bill has been fully considered by the Committee on Agriculture. I add that the bulk of the amendments were offered by the Republican members of our committee.

This legislation has a double purpose. It is designed to upgrade the diet of people who have a substandard diet in this country. This, if you please, can be designated as a welfare purpose. It also has a purpose of reducing the surplus of foods and will do this in the most efficient fashion.

The legislation will accomplish this double purpose. It should appeal to two classes of people interested in welfare programs in addition to those concerned with the agricultural problem.

There are those in the Congress and outside who are opposed to all welfare programs. This legislation obviously will not appeal to them.

There are others who support welfare programs provided that they are directed at basic needs, such as food, housing, and so forth. This legislation certainly should appeal to them, because it will force the recipients to commit at one time a certain percentage of their budgets for the very useful purpose of supplying food to the recipients and their families.

There are more liberal welfare advocates to whom I can say that this will not reduce in any amount the amount of

general cash benefits going to welfare recipients. That is spelled out in the bill.

Furthermore, this will provide the recipient with more dignity than is inherent in the present method of direct distribution of food, under which it is necessary to march down to a central warehouse and pick up sacks of cornmeal, and so forth.

You will recall not too long ago the headlines in the Washington newspapers about how some of the recipients here would hire taxi drivers to go down and pick up these materials and also there was a substantial black market in these commodities at the time because the foods had small appeal to the recipients. So I say, except to those of you who are opposed to all welfare, that this is a much better program than the present program of direct distribution.

How will this program work? A State which wants to participate will submit a plan to the Federal Government, to the U.S. Department of Agriculture, which will look at it and consider whether it is too liberal, for example, or too restrictive. Once the plan is approved the local areas in the State which traditionally administer welfare, be it a city or a county, will approve the plan for that area. Then the Department of Agriculture will accept applications from wholesalers and retailers as to their eligibility to participate in this program as vendors of merchandise. With this approval, the welfare recipient then can go to the local welfare agency and ask for certification as an eligible for stamps. Once certified as an eligible he will be entitled to go in every month and lay down cash, if he has it, and, if he does not have cash, he can still get stamps, I might add, in answer to Mr. JONES. He will lay down a certain percentage of his cash budget and, in effect, receive a bonus of food through this program which will permit him to give his family an adequate diet. With these stamps in hand then he shops just like any other person. Either he or his wife or some other adult member of his family can shop. He can then purchase items which are basic food items, excluding tobacco and alcohol and goods which are obviously of foreign origin.

Mr. MICHEL. Mr. Chairman, will the gentleman yield at that point?

Mr. HAGEN of California. Yes. I yield to the gentleman from Illinois.

Mr. MICHEL. What is the variable that exists throughout the country in what one can put up in cash and get an equivalent of in stamps?

Mr. HAGEN of California. The basic average ratio has been about 70 percent purchased stamps and about 30 percent donated stamps.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAGEN of California. I yield myself 3 additional minutes.

Mr. MICHEL. I note the gentleman states an average. What is the complete variable that can be in existence throughout the country? Can one give as little as 10 cents and get 90 cents in stamps and can he pay 90 cents and get 10 cents in stamps? What is the extreme?

Mr. HAGEN of California. They established averages for families. For example, say there was a family with a husband and wife and three children. They would calculate what their average food budget should be and what it was. They would then say, "Out of your welfare payment or out of your meager earnings you put up so much money." If I recall, it is a 30-percent bonus.

Mr. MICHEL. When you say "they" who is this?

Mr. HAGEN of California. The local welfare directors.

Mr. MICHEL. And whatever they decide, whoever this welfare director is, is that the final determination of the specific families as to what they would contribute in cash?

Mr. HAGEN of California. Basically. However, of course, the State has to submit a plan that is approved by the Secretary of Agriculture, and that is the ground rule for the approval. The Secretary is an overseer, so to speak.

Mr. MICHEL. If he did not approve of what that local administrator did, he could then veto it in effect?

Mr. HAGEN of California. Yes. If there were abuses, I would say. You might ask the question, why the Department of Agriculture.

The Department of Agriculture has had experience with food stamp programs. They are in the food business and have operated a program in the thirties through 1943, which expired because of the lack of need for it with a rising employment during the war period. They operate these present pilot programs and have the know-how, and they know what foods are in surplus and will have an education program in connection with this program which will attempt to identify surplus foods which are cheap and direct purchases of them by education.

I want to say to those of you who come from areas of specialty crops, such as I represent, that we do not want a combining burden of pilot projects on section 32 funds, because these funds are designed to bail out non-price-supported crops when the need arises; these funds are not unlimited. We want to regularize this food stamp program so it does not present a threat to our section 32 funds. I might say that this program offers hope to farmers who do have these specialty crops, which are occasionally in surplus from time to time, because it will upgrade the general diet of people who need food and they will be permitted to shop for the broad spectrum of grocery items.

With respect to the Quie amendment, an effort will be made to strike it out. I support that effort. It is unrealistic to assume when a county or a city has a choice of a direct distribution program, which in effect costs them nothing, that they would choose a program where they would have to pay 50 percent of the cost of the foods as provided by the Quie amendment. This is totally unrealistic and would make this program altogether inoperative. I hope Members will go along with those of us who seek to eliminate the Quie amendment when the bill is read for amendment later.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. McINTIRE].

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Chairman, the gentleman from California made reference in the early part of his remarks to a special subcommittee to study the pilot plant programs now in effect.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 94]

Alger	Fallon	Matsunaga
Arends	Flood	Miller, Calif.
Ashbrook	Fogarty	Minshall
Ashley	Forrester	Morton
Auchincloss	Fountain	Murray
Avery	Gaiamo	O'Brien, Ill.
Baring	Gill	Pilcher
Barrett	Glenn	Powell
Bass	Griffin	Rains
Bolling	Hansen	Rhodes, Ariz.
Bray	Hawkins	Roberts, Ala.
Brook	Hébert	Rogers, Tex.
Broyhill, N.C.	Holland	St Germain
Buckley	Jones, Ala.	Scott
Burleson	Kee	Sheppard
Burton, Utah	Kilburn	Short
Celler	King, Calif.	Smith, Va.
Cohelan	Kirwan	Staebler
Davis, Tenn.	Kluczynski	Steed
Dawson	Kornegay	Teague, Tex.
Derwinski	Lankford	Thomas
Diggs	Leggett	Vinson
Dowdy	Lennon	Williams
Edwards	Lloyd	Wilson
Elliott	Long, Md.	Charles H.
Evins	Madden	Winstead

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 10222 and finding itself without a quorum, he had directed the roll to be called, when 350 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Chairman and members of the Committee, prior to the quorum call and prior to my being recognized for 10 minutes, the gentleman from California [Mr. HAGEN] was speaking about the procedure which the committee had followed in connection with the study of this legislation. He made reference to the fact that the chairman of our committee, the honorable gentleman from North Carolina [Mr. COOLEY], has designated the subcommittee to study the pilot plant operations of the food stamp program which were underway by virtue of the authority in section 32. I was a member of the study committee which was set up by the instruction of the chairman. I

want to pay my respects to the gentleman from California [Mr. HAGEN] for the careful consideration which was given to the study of the program and to the legislation which was before the committee. He made reference to a number of amendments which were proposed. I was the author of some of those amendments, and I am quite certain that they were constructive amendments to the legislation. However, coming to a final decision on this legislation I found it impossible for myself as a member of the committee to support it, and so I signed the minority views which are presented in the report of this bill. A number of considerations went into this decision. May I say a predominant consideration was the fact that having had a long association and interest in the work of the Department of Agriculture, I felt it a very serious step and a step which was not constructive that the Department of Agriculture should take on the responsibility of administering what is, in fact, a welfare program—not on a commodity basis by virtue of the commodities originating through the price support program but as a welfare program which is, in effect, a cash program. This seemed to me by far to be the responsibility of the Department of Health, Education, and Welfare, which is set up administratively and which is, in the mind of the public, the agency ministering to the needs of those unfortunate enough not to have the means to care for themselves. We have all expressed concern relative to the budget of the Department. We have all expressed concern relative to the number of personnel required by the Department to administer its responsibilities.

I would make particular reference to page 23 of the report, which sets forth the fact that the proposal would require \$370.8 million annually as a level of fiscal year 1968, presuming that this program would be confined to those areas of greatest need.

This would be a sum of money in addition to the present funding of the Department, and this seems to me to be an amount of money which ought not to be charged to Agriculture. In the next paragraph on the same page, reference is made to personnel. It is noted that 985 persons with an annual compensation of about \$7,560,000 would be required to administer a program at the level of about \$370 million. This means an increase in personnel in the Department, not to perform the functions normally considered the responsibility of the Department of Agriculture but to perform a function which is basically in the field of administering welfare.

While these two points can be argued, that the Department is already engaged in food distribution and thereby engaged in welfare, it seems to me that this legislation is establishing a point at which we might well consider whether or not this program should be in the Department of Agriculture or in the Department of Health, Education, and Welfare.

Mr. Chairman, these reasons, which I have set forth as well as others set forth in the minority report, are the basis for my conclusion that this bill should not

be supported. Therefore, I shall vote against the bill on final passage.

Mr. MATTHEWS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we have had, I think, an excellent debate on the food stamp plan. I am in favor of the food stamp plan as embodied in H.R. 10222. I think we ought to review some of the very interesting arguments that have been made for the bill and against the bill.

I would like to point out first of all that we have a present program of surplus food distribution. This is a program that, as far as I know, has not been opposed by any appreciable segment of Congress and has merited the approval of the overwhelming majority of the American people.

The food stamp program, if you please, is not a new concept. It is not a new idea. It is not an effort on the part of the Department of Agriculture to grasp for power. In my opinion the food stamp plan is a perfection of the present direct distribution process. It is estimated that the present program had a cost in the fiscal year 1963 of between \$280 and \$354 million.

Mr. Chairman, we are told that the cost of the food stamp program will probably approximate the sum of \$360 million annually. There is not too much difference there, Mr. Chairman.

I believe, that if the present distributing program is properly administered by the Department of Agriculture, and I believe that it is, I think the proposed food stamp program should also administered by the Department of Agriculture.

The gentleman who just preceded me, my dear friend the gentleman from Maine [Mr. McINTIRE], has suggested that the food stamp program is a welfare program and it would be better administered by the Department of Health, Education, and Welfare. I do not believe it is the type of program that should be administered by any other department than the Department of Agriculture.

Mr. Chairman, may I remind the members of the Committee again that we have a distribution program at the present time administered by the Department of Agriculture. No one has objected to that. It is a program that feeds hungry people. It is a program that makes food available to them. It is a program that makes, if you please, products like beans and flour and meal available to hungry people. No one has suggested that this program be given over to the Department of Health, Education, and Welfare.

I submit again the fact then that the food stamp program is no new departure. It is a program which is designed to rid ourselves of agricultural commodities, certainly, and it is a program that feeds hungry people. It is a food program.

Mr. Chairman, may I remind the members of the Committee that the States have not matched the cost of the direct disposal program. Under the present program there has been no cry for the States to participate in 50 percent of the cost, or 25 percent of the cost.

Mr. Chairman, the gentleman from Minnesota [Mr. QUAIL] and the gentle-

man from Maine [Mr. McINTIRE] have written to the Library of Congress to obtain the opinion of its experts about welfare programs and joint participation. However, nowhere in the report of the Library of Congress does one find that these experts consider the food stamp program to be a welfare program. I sincerely do not believe it should be charged to the Department of Health, Education, and Welfare.

Mr. Chairman, in my opinion it is a program, again and again, that should be administered by the Department of Agriculture.

May I say to the members of the Committee that welfare programs administered by the Department of Health, Education, and Welfare concern people primarily but are not concerned with any basic commodity or service. Whereas, the food stamp program is concerned with the administration of commodities, it is concerned with the administration of food in order to help hungry people.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. May I finish my statement and then I shall be delighted to yield to the gentleman, because I have a high respect for the gentleman and I have mentioned his name.

Now, Mr. Chairman, I want to emphasize the fact that the food stamp program will help us to get rid of some agricultural surpluses. I must say, frankly, that perhaps it will not enable us to get rid of as much in certain areas as we are able to dispose of now under the direct distribution program. I think there might be some difference, but I believe that difference will be small.

Mr. Chairman, we must remember that when a person using the food stamp program goes into a store to buy bread, that represents the disposition of grain under the food stamp program with the added possibilities of an enriched diet. When the customer buys meat that will represent the disposition of some grain that actually goes into the production of the meat. The same will be true of poultry products.

There are figures which are contained in the report that would indicate that in certain of these pilot areas, as has been explained, it has been proved beyond a shadow of a doubt that the food stamp plan does enable us to get rid of some of our agricultural surpluses and that the food stamp plan does enable the customer, if you please, to buy more of the flour products or the milk products or more of other products that are in surplus supply in the hands of the Commodity Credit Corporation.

Let me emphasize again and again, as a member of the subcommittee that studied this food stamp plan for months, that I certainly believe it will continue to be a great factor in the elimination of a tremendous amount of our agricultural surpluses.

One of the chief reasons I feel we should keep this program under the Department of Agriculture is, frankly, good public relations.

I have made no deal on the way that I am going to vote on this bill. I shall vote, as the majority of my colleagues

do, on the basis of what I think is best for the country. I believe this food stamp bill, tied in with the Department of Agriculture, is best for the country and best for agriculture, and that it ties irrevocably the interests of the farmer and the interests of the consumer. Let us here propose a gentle reminder that 21 million people in America are dependent on agriculture for a livelihood. Sometimes we may feel agriculture is a decadent industry. But it is not so. The great metropolitan areas of the country need a prosperous agricultural industry. Agriculture is still the basic industry of this country. This year when we vote on an appropriation of approximately \$6 billion for agriculture, let us keep in mind only half of that should be charged to the American farmer. Agriculture will be charged for some of the money that goes to feed hungry people. I think this expenditure is a public relations gesture and worth while, but if it did no good so far as public relations is concerned we still ought to have a food stamp program. Hungry people in America ought to be fed with the abundance we have of American agriculture.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not a fact we are feeding hungry people all around the world?

Mr. MATTHEWS. The gentleman is absolutely correct. We are spending \$1 billion a year on what we call food for peace. We believe we will have an approximate expenditure of \$360 million to feed hungry people in America if this food stamp bill passes.

Mr. Chairman, I went to one of the pilot areas to see how this food stamp plan worked. I liked what I saw.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. MATTHEWS. Mr. Chairman, I saw recipients go into a bank and get their food stamps. I saw private industry at work, if you please, through the food stamp plan. Those of you who believe in private industry like to see this food in the hands of the merchant, and out of the Government warehouses. That helps private enterprise. I saw these people get their stamps. I went to the grocery stores and I saw a grocer who told me 10 percent of his business was through the food stamp plan. He said that "before we had the plan we had direct distribution and I was the same man who had charge of the distribution then." He said this food stamp plan is better. This plan helps private industry, this plan better helps the recipients. This plan will not be wasteful. The food will go into hungry stomachs.

Mr. Chairman, this plan is not perfect. This plan will be limited by the appropriation processes, and it ought to pass. There should not be a single vote against it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I want to point out for the first year the authorization is limited to \$25 million; the next year \$75 million; the next year \$100 million, and in 1967 it will go up to \$200 million if the program turns out to be successful. The whole program is limited by the appropriations.

Mr. MATTHEWS. I thank the gentleman.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Minnesota.

Mr. QUIE. When the gentleman was indicating this ought to be administered by the Department of Agriculture he did not say this was not a welfare program, did he?

Mr. MATTHEWS. We are dealing in semantics. I think the present distribution program is a welfare program, and if the present program is administered by the Department of Agriculture why not the food stamp program?

Mr. QUIE. Is there much difference between this program and the school lunch program?

Mr. MATTHEWS. The school lunch program gives us an opportunity to give away hundreds of millions of dollars of agricultural surplus through programs that we have. But there is a difference. There we have not had a similar program, such as the surplus disposal program. The school lunch program should continue with participation on the part of the States and the Federal Government.

But let me say again and again, we have presently a surplus disposal program. The gentleman has not insisted that the States pay for half of this surplus disposal program that we are maintaining in lieu of the food stamp program. The gentleman is not insisting on States matching that cost, is he?

Mr. QUIE. I insist that the most generous way you could look at the food stamp plan would be a 50-percent contribution by the States. That is the most generous way.

Mr. MATTHEWS. We now have a food disposal program. The Federal Government participates 100 percent except in a little bit of the administrative cost. I say the food stamp program is germane to that kind of program. It is the same kind of program. Therefore, it should be administered in the same way.

Mr. HOEVEN. Mr. Chairman, I yield 14 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I should like to address my remarks primarily to what has become known as the Quic amendment. First, I think it should be clearly understood that this is a welfare program. This was no better stated than by my colleague from New York [Mr. ROSENTHAL] when he pointed out that it is no longer a food disposal program, it is a welfare program. Since it is, let us look at our welfare programs and how they operate, and whether they are administered by the Department of Health, Education, and Welfare or the Department of Agriculture, because it is ad-

mitted that the Department of Agriculture has certain welfare aspects about it.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. HAGEN of California. Would the gentleman advocate that the school milk program and the butter disposal program be put under the Department of Health, Education, and Welfare?

Mr. QUIE. I have not recommended that the food stamp program be placed under the Department of Health, Education, and Welfare, so I do not know why the others should be.

Mr. HAGEN of California. Would the gentleman recommend that the States put up half the cost of those programs?

Mr. QUIE. I think they put up more than half of the special milk program and more than half of the value of the school lunch program.

Mr. HAGEN of California. How about butter?

Mr. QUIE. The butter is under the direct distribution program, and this is what I will explain if the gentleman will give me a few moments. He would not even have to ask the question.

Mr. COOLEY. I have a place in my county where they pay more than half. They pay \$295,000 and the Government only about \$233,000.

Mr. QUIE. There must be a different operating program. It may be more than half of the bonus.

Mr. COOLEY. I will put it in the RECORD. They put up \$295,000.

Mr. QUIE. No; they did not, they paid what they had been paying before for food. The welfare department estimated that the payment for food was a certain amount. Let us assume it was \$60. Then they gave them \$100 of stamps.

Mr. COOLEY. Of course they did not pay for the bonus, but they did pay for more than half of the food.

Mr. QUIE. I thank the gentleman for clearing that up. They paid for the bonus. The Federal Government has been paying for the direct surplus distribution program. They do it because we have the food. We have people who need the food and do not have enough income so we have provided for them in the direct distribution plan.

But we have had a time-honored and a time-tested principle in this country of providing welfare and it is in the States and where possible the local communities pay a part of the welfare cost. Now accepting that this is a welfare program, we could then turn to the letter which was written by the Library of Congress to our colleague, the gentleman from Maine [Mr. McINTYRE] in which it is indicated that in the average of all the welfare programs, the Federal Government pays 60 percent and the local governments 40 percent.

Let us look at the new welfare programs that this administration would like to have come into being, calling it the "war on poverty." I serve on the ad hoc subcommittee which is studying that piece of legislation. What are they asking for? The initial pilot operation—90 percent Federal and 10 per-

cent State and local. They accept the principle that if there is going to be responsible administration of a program, State and local governments must pay a part of it—although it is 10 percent on the initial pilot project for the first two years of the program. We have a pilot which goes on getting 100-percent financing. It is not going to cease with this program. It is not repealed if this bill passes. It continues on now and operates. Right now it is operating in 43 counties and 22 States and continues on even using the pilot basis, encouraging communities with help of 100 percent. What happens to the war on poverty after 2 years? Then it becomes 75 percent Federal and 25 percent State and local. Again recognizing this important principle that the States pay a part of the cost if they are going to administer this program responsibly.

This is not a pilot program we are talking about. It is nationwide food stamp program. The author of the bill called it that earlier. It was to be spread over the country wherever it possibly could go. The only limitation about it is the limitation that the appropriations committees and place on the amount of funds expended. The more generous they are, the further it goes. How do the States handle this responsibly? By paying part of the cost. That is what we are trying to do here with his amendment of mine—50 percent. Now why do we say 50 percent rather than 60 percent Federal sharing as is the case in the average of all welfare programs?

I talked to people who are involved in the food stamp program especially in Fayette County, Pa., and the most generous way that you can look at the food stamp program is that 50 percent is the surplus food involved. So if that is the case, let us say 50 percent is the cost. But if this is a good program as we are told it is going to be, surely the States would be willing to pay their share by paying 50 percent of the cost. Just like they share in other programs now in operation. Every welfare program on the books—old age assistance, medical care for the aged, aid to families and dependent children, aid to the blind, aid to the permanently and totally disabled, and various other programs accept that principle. They accept that principle in the school lunch program, they accept it in the school milk program because this is a time-tested principle and it will work in that way and it will not work well without that principle.

That is what I maintain here in this legislation. If it is going to pass, we have to make certain that we keep that amendment in the bill.

Now what about the poor States? It is said that some States cannot afford to pay this bill and that they are less able to pay the bill than others. Let us look at the food stamp plan where the 22 States now are operating it. We find there is a majority of them which have a per capita income greater than the average. What about California? Can California afford to pay 50 percent? Why, they are more able to do it than the Federal Government. They do not have as

much of a problem raising money and running into the red as the Federal Government does. The States of the Union that have per capita income greater than the 50 percent or greater than the median, surely ought to be able to pay for them, because there is no tax and I can repeat this over and over again—there is no tax available to the Federal Government which is not also available to the States, with the exception of import duties and that does not raise very much. So the States can do it.

What about the States or pockets of poverty? You can make a case for those. The food stamp plan presently operates and continues. They can use that where it is 100 percent Federal financing and they can choose in that area to use direct distribution if that is better than the food stamp plan. They have them in operation. So I can see no sound argument for dropping the 50 percent sharing-in-cost amendment. This is the only way this program will be able to continue to operate or will be able to operate responsibly and so that it will not mushroom out in the country—a great gift from Uncle Sam. Uncle Sam pays 100 percent bonus and the merchant thinks this is a bonanza and the people who come in and buy their food from him and the bankers think it is a bonanza because they can make money on the program. No wonder when you read as I do in the report where Assistant Secretary of Agriculture George Mehren, speaking at Uniontown, Pa. said:

The food stamp program merits special mention here in Pennsylvania, where Fayette County was one of the original eight areas in which we initiated this new approach in mid-1961. During the past year, the program was extended to the city of Pittsburgh, and to Cambria and Luzerne Counties, along with some 40 other areas throughout the Nation. The pilot operation is so constructed that it gives low-income families additional purchasing power for food only, and thus means "new" or additional dollars pumped into the economy of the area. It also means more and better food for participating families, which in turn means expanded markets for farmers.

In the Keystone State, the Federal contribution for food stamp coupons since 1961 totals more than \$7½ million—dollars that moved into and through commercial channels in addition to the \$22 million that the 75,000 or 80,000 food stamp recipients spent for food out of their own money.

Then he indicates that in this county there is \$2 million of additional money, and that in the Keystone State since 1961 the Federal contribution was more than \$7½ million.

No wonder this looks like a great opportunity. If this is an opportunity to feed the people with low incomes, which he says is so necessary, surely even a State such as Pennsylvania, which has some low-income areas or pockets of poverty, like those we have in the State of Minnesota, has an ability to do something. The State legislature has an ability to raise money to pay a share of the cost, and surely would do so. We have seen before that State legislatures meet and appropriate money for welfare programs, and continue to do so. They do some griping about it, but they continue to raise the money.

In Minnesota the Kerr-Mills law, to provide Federal aid for the medically needy—not necessarily economically indigent, but medically indigent people—was passed in the last session of the legislature. That will go into effect on July 1. This indicates a willingness of the State to accept responsibility. From everything I have observed of the Kerr-Mills law in Minnesota, it will be well operated.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Did not the Kerr-Mills law go into effect in 1960?

Mr. QUIE. That is right; in 1960.

Mr. BLATNIK. That is 4 years ago. We finally have that enacted. I merely say that the hungry people of the country cannot wait for 4 years to participate in the program.

Mr. QUIE. The hungry people will not have to wait for 4 years to participate in the program. I believe everybody should remember that there is a direct distribution program to help the people with their basic diets. There is a direct distribution program to help the hungry people. The question is whether we should spread it out into a fancy new program, all over the country, with a food stamp plan. There ought to be some sharing with the Federal Government on the cost.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. ROSENTHAL. The advantage of the food stamp plan, to the recipients of the food, is evident when we consider that under the direct distribution system they are receiving only 10 types of food. For many persons—the infants as well as the elderly—these 10 foods provide a limited type of diet which may be nutritionally defective. The food stamp plan would give us a much broader base for foods for these people to use to grow and be healthy. That is why I believe there is a great advantage to it.

Mr. QUIE. The gentleman forgets that there is more involved than the food provided under the direct distribution system, the 10 types of food, which are limited. The recipient of that food does not have to take money away from his limited resources to buy that food at the grocery store. He can buy other food with his money, to provide a balanced diet, from the grocery store, as he receives the surplus foods through direct distribution. He can use them together. Experience in pilot areas has shown there is greater participation under the direct distribution program.

Mr. ROSENTHAL. That is a very good "Alice in Wonderland" picture. I wish it were true. Many people—particularly some of the 4 million referred to—do not have additional funds to buy the food that they need.

Mr. QUIE. The gentleman should look at the operation of some of these programs. Of course, a discussion of Grays Harbor County, Wash., is in the report and can be seen.

If we have concern for the people who are needy, we can also understand the number who did not see fit, for the many reasons given, to come under the food stamp program.

Under the bill, when the food stamp program is put into operation the direct distribution system will cease. We must have some concern and compassion for those people as well. If there are limitations on the program, there must be limitations both ways, and we should not consider the food stamp program a perfect operation.

Mr. ROSENTHAL. The gentleman does not oppose having the provision that when the food stamp plan is put into operation in a county or community the direct distribution will cease, does he?

Mr. QUIE. I surely question the program, when it has such an effect on the poor people, who are not able to secure food. When they find they are qualified for direct distribution, but cannot get it, what will they do?

Mr. ROSENTHAL. An added advantage would be the much improved administrative system, with a much tighter check on the disposition of the proceeds.

Mr. QUIE. If only one-third of the people qualify, I wonder how much better it was in Grays Harbor County. We must also bear in mind that the States, not the local communities, would share in the cost of the program under my amendment. Thus, needy communities unable to meet local expenses would be helped by both the State and Federal Governments.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. HAGEN of California. Of course, the direct distribution plan is an uncertain thing, because the foods are available on a hit-and-miss basis.

If we do away with the support program, which cost about half a billion dollars last year, there would be no butter and cheese available, for example. This offers a frugal prospect to some of these coal miners down in Kentucky who have been getting stamps in these pilot areas even though they had no money. There are many participants in these programs that get food under the stamp program even though they have no money, and they get a balanced diet more than they would under the direct distribution program.

Mr. QUIE. We do not have any problem in the near future as far as running out of dairy supplies is concerned.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 1 additional minute.

I would like to ask the gentleman this question: I notice you have three pilot projects in Minnesota. Have they been working well or not?

Mr. QUIE. I think you could ask the gentleman from Minnesota [Mr. BLATNIK], who is sitting here, about that, because they must be in his district.

Mr. BLATNIK. They are.

Mr. COOLEY. Mr. Chairman, I yield

5 minutes to the gentleman from Minnesota [Mr. BLATNIK].

(Mr. BLATNIK asked and was given permission to revise and extend his remarks.)

Mr. BLATNIK. Mr. Chairman, I thank the chairman of the committee for yielding me this time. The three pilot projects are in my district in northeastern Minnesota on the great iron ore range which is now sadly and unfortunately depleted. We were one of the first eight areas in the United States in which these pilot projects were initiated back in March of 1961. The program has worked exceptionally well, and I urge the House to approve the food stamp bill now before us but not before deleting the amendment requiring matching grants from participating States.

It is now time to extend throughout America the benefits of this remarkably successful program.

In early March 1961, the Virginia-Hibbing-Nashwauk area of my northeastern Minnesota district was selected as one of the original eight areas in which this new approach was to be tested. Subsequently the program was enlarged to encompass all of St. Louis, Carlton, and Itasca Counties. The participation in St. Louis County, including the city of Duluth, is approximately 10,000 people, in Carlton County 880 people, and in Itasca County 2,038 people. This is a total of almost 13,000 participants, and the number increases each month.

There are three adjacent counties located in the great Mesabi Iron Range. Throughout two world wars, the Mesabi Iron Range provided in the neighborhood of 80 percent of the iron ore needs of our Nation's steel mills. Since the end of the Korean war, ore production has declined substantially. These counties are classified as an area of substantial and persistent unemployment, and are particularly hard hit by seasonal unemployment.

The range is on the threshold of a great boom in the development of taconite ores. But our unemployed cannot live on the promise of a boom—they and their families must eat three meals a day. The food stamp program has provided that for them.

Reports from the press and other sources clearly indicate that the program has been enthusiastically received in Minnesota by all concerned—the recipients, the grocers, the welfare department, and business and banking groups.

The director of the Carlton County Welfare Department states in a letter to the Washington County Welfare Department:

It is my opinion that it [the food stamp program] is preferable to bulk distribution of surplus foods. I might add, that this is also the opinion of the Carlton County Welfare Board. The program has positive aspects both for the clients we serve and for the agency. It has advantages, from public support to a purely economic factor.

The State supervisor of food stamp and commodity distribution programs conducted a survey of the counties in

the State, to determine what program they would prefer if given a choice. Of the counties that stated their preference, 60 percent favored the food stamp program. Mayor Arthur C. Naftalin, of Minneapolis, has strongly urged inclusion of his city in an expanded program.

If there is any doubt left in Members' minds as to whether the food stamp program has resulted in increased food consumption, it should be noted that since the start of the program, in Minnesota, \$1.5 million of additional food purchasing power has been generated by the program. This is in line with the experience throughout pilot program areas, where retail food sales have increased 8 percent. This increase is in total retail food sales, not just an increase in sales to food stamp participants or merely the increase in sales by participating grocers.

The program which has benefited the northeastern Minnesota area and the other pilot areas should now be expanded throughout the country. The experience in the pilot program indicates that this is a successful program. It has performed well in providing essential nutritional supplements to the diets of those in need, and it has permitted us to make more effective use of our abundant food supplies.

Because it permits participants to choose a wide range of foods, the food stamp program results in a much more balanced diet than does the direct distribution program which is necessarily limited only to surplus foods. Eighty percent of the increased consumption of participating food stamp families has been in meats, fruits, and vegetables, not available in the surplus food program. As a result, almost twice as many families have achieved nutritionally adequate diets under the food stamp program as under the direct distribution surplus food program.

In addition, the food stamp program has actually had a substantially greater impact on reduction of our surplus foods than has the direct distribution program. Food stamp participants are consuming the equivalent of 24 percent more of all grain products, through increased use of meat, bakery and other products. For example, meat consumption has increased 1 pound per week per participant.

The farmer has benefited directly from the program. Before food stamps, direct distribution resulted in a return to the farmer of \$1.75 per week per participant in the surplus food program. Among this same group of people, some of whom now participate in food stamp, the return to the farmer has increased 15 percent to \$2.01. If all these people could participate in food stamps, the increase in farm income would be substantial.

One word of caution on this bill. The Quie amendment, added in committee, which would require 50 percent matching funds from State or local governments, would have a disastrous effect on the food stamp program. The program is designed precisely for those areas which can least afford welfare programs designed to provide adequate sustenance for all its people. Thus, the areas which need food stamps the most will be ill-

equipped to participate financially. Furthermore, most State legislatures meet only a few months per year—it may be some time before most States could even consider participation in the food stamp program.

The Library of Congress has furnished me with a compilation of the legislative sessions of each of the States. This shows that 29 States meet only in the odd years and thus could not possibly supplement the food stamp program this year. Three States meet only in even years and would have to wait until 1966 to implement the food stamp plan. The majority of the balance of the States having annual sessions will probably have adjourned by the time this bill is enacted and would also have to wait until next year.

State legislatures are often slow to act in taking advantage of these matching grant programs. The aid to dependent children program for the unemployed, effective in May 1961 has only 15 States as participants. The Kerr-Mills law, effective in October 1960, has only 33 States participating. Many counties are not participating in the direct distribution surplus food program because they can't even afford the administrative costs involved. When it is a matter of getting enough to eat we simply cannot afford to make these people wait.

Make no mistake about the purpose of this amendment. It was purportedly offered to preserve "the vital principle of local and State participation." This is a sham. The Republican gentleman from Minnesota who proposed the amendment indicated his general agreement with the minority report filed on the bill. That report stated flatly, "We oppose the enactment of H.R. 10222." If this is their desire, they will accomplish their end in no better way than to tack on this amendment requiring State participation. I can only agree with the distinguished chairman of the House Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], who stated the "State matching provision would destroy the food stamp program."

Having seen the great benefits in human terms brought about by the pilot program, I urge this body to support the food stamp bill to extend these benefits to all hungry Americans.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Could we not look at it in this way: Assume you will have \$2 million available for Minnesota. Instead of paying 100 percent of the cost and going to four of your counties, let us say, if you had 50 percent sharing—and southern Minnesota has been very generous in the past in helping the northern part of Minnesota—we could then get to twice as many people in your area with that \$2 million and the program would work better that way rather than affecting less people.

Mr. BLATNIK. With the relief loads that our counties and municipalities have been carrying in the past 7 years it is unreasonable to make further demands upon them. There are commu-

nities in my district that are in such dire economic and financial straits that, although they were eligible for 66-percent Federal grants under the terms of the accelerated public works program, they could not match the Federal grant by putting up the one-third local share and therefore did not receive a project.

Mr. QUIE. With my amendment the local people would not have to share in this program, the State would share in it. The gentleman knows how generous the Minnesota Legislature was under the Kerr-Mills Act.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. COOLEY. This bill does not even contemplate putting a food stamp program in all the States of the Union. A plan may be put in in a city or a county. The city of St. Louis has one. An outside county does not. My county has a program but there are 99 other counties in the State that do not have it. I agree with the gentleman that where this program is needed most of all is in the communities, in the counties, that are financially embarrassed and distressed and who could not possibly put up the money.

Mr. BLATNIK. They have been carrying this burden for years.

Mr. COOLEY. That is right.

Mr. BLATNIK. They need help and they need it now.

Mr. COOLEY. They cannot put up any money to finance it. Here we are, the richest nation on earth, feeding people all around the world and some people say that we cannot even feed our own people at home.

Mr. BLATNIK. The gentleman has made an excellent point. We voted for a pay raise for the military last year. I supported it. Then we came along with a tax cut to benefit those who have income sufficient to pay taxes and even higher incomes that would benefit from a tax cut. I have supported the proposal to increase the salaries of the civilian employees of the Federal Government. Then there is the foreign aid program. The only ones we have left out are those in this country who need help the most.

(Mr. ALGER (at the request of Mr. HOEVEN) was given permission to extend his remarks at this point in the RECORD.)

Mr. ALGER. Mr. Chairman, now the planners have reached the ultimate program for a new economy: Stamps. Just read the bill and the report and you must reach the conclusion that we can solve all our problems with stamps. To stamp out poverty and take care of people by Government subsidy, now can we even think of limiting a stamp program to food? If there are food stamps, orange or blue, or whatever, why should there not be others? Is food the only essential? And why limit Government aid to food? Indeed, the Federal Government is already in countless other programs.

Let us inaugurate a comprehensive stamp plan. Aid for dependent children suggests the child-i-care stamp plan. Aid to mothers of illegitimate children suggests a different colored child-i-care stamp plan, maybe mauve instead of

tan—perhaps also a different size stamp, or different quality of paper. Of course, this might be erroneously labeled discrimination, but we already have these plans without the stamps.

Then there should be the rent-i-care stamp plan, to pay for a portion, if not all of the rent for those who need help.

There should be electric-i-care, water-care, gas-care, heat-i-care, cook-i-care stamp plans to aid in utility costs.

Of course, the medicare stamp plan would be a natural, too.

The transport-i-care stamp plan would take of transportation, redeemable for the cost of travel by car, bus, boat, plane, train, and perhaps a comprehensive stamp plan to miscellaneous forms of transportation of every type.

There would be no limit to the necessary stamp plans so long as human needs were being met. From birth to death all expenses could be covered. From soup to nuts, or if you prefer, from soup-i-care to nut-i-care. Courtship, marriage, conception, pregnancy, early child care, education, retirement and all the rest until funeral expenses by stamps closed the books on a particular individual.

Perhaps a specific color of stamp assigned to each person would assure individuality and personal attention.

To the advocates the beauty of this form of subsidy is not limited to its overall comprehensiveness. Not to be overlooked will be the so-called lack of Federal control and absence of cost to anyone. Of course, businessmen would support it. Under this comprehensive stamp plan a local agency assures local, not Federal direction by selecting the needy who will get the stamps. Arbitrary issuance of the stamps by another agency assures anonymity and no favoritism—that is no capricious award through kinship or political affiliation. The businessmen provide the merchandise without Federal intervention since they deal with the store, sales outlet, or local agency.

The cost is no one's since the stamps are turned into the U.S. Treasury—through banks—for redemption in cash. Since the Federal Government pays there is no need to make both ends meet. Everyone knows that Federal money is secured through loans under the debt limit. Therefore, both stamps and the money can be created by the Government. The taxpayers need not pay because it can be deficit financed.

Obviously the manufacturers will be pleased at the extra volume of business, the wholesale and retail outlets are benefited, the bankers do business for a fee, the poor are helped, poverty eliminated, and it does not cost the taxpayers.

Then the final objective must be reached when we get used to paying for everything with stamps, we would not need any money at all. Everyone will have everything to sustain life from the cradle to the grave and the Government will just go on printing stamps to meet the demand. This is utopia. We should have thought of it long ago instead of trying to make an economy work with money. Stamps are so much simpler, and it is fun trading stamps.

Before you laugh too heartily at this discourse as something too fantastic, read the food stamp bill, it is all there.

Mr. HOEVEN. Mr. Chairman, I yield myself 10 minutes.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I hope that this bill will not be considered on a partisan basis. I regret that some of those who have spoken would like to inject politics into this proposed legislation. I want to say that the milk of human kindness does not flow alone in the veins of Democrats. We Republicans are mindful of the needs of our people. But we also feel we have some obligations to our taxpayers and to a philosophy of government which is involved in this proposed procedure.

It is interesting to note that my good chairman in his opening remarks said that the food stamp plan was a part of President Johnson's fight against poverty. The only observation of interest that I have to make is that my recollection of the President's special message to Congress on poverty is that he never mentioned the food stamp plan. Whether this is significant or not I do not know.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. COOLEY. The gentleman knows that he mentioned it in his Agriculture Message to the Congress.

Mr. HOEVEN. He did not mention agriculture in his state of the Union message, by the way.

Mr. COOLEY. He sent a special agriculture message to the Congress.

Mr. HOEVEN. Well, in his poverty message I do not recall him mentioning the food stamp plan. However, it has been amplified and spoken about here today as part of the fight against poverty.

Mr. COOLEY. If the gentleman will yield further, I was the one who used that on the floor of the House today.

Mr. HOEVEN. I do not think anyone is naive enough not to know what is going on around here in the consideration of this bill now at this very convenient, appropriate time, the first bill to be considered in a quadruple package or a triple package, if you please. It is the same old situation of you tickle me and I will tickle you and we will both tickle the third fellow. Then we will all smile and we will put one over on the taxpayers.

Mr. Chairman, it is rather significant; I think, when we recall that before the wheat referendum was defeated last year, the administration said, "There will be no new wheat legislation." Then Secretary Freeman said so; in effect, my good chairman the gentleman from North Carolina [Mr. COOLEY], said so in a press release; and then the referendum was defeated.

Mr. Chairman, Secretary of Agriculture Freeman said it again in a press release, and the Democratic National Committee said it. In effect, Secretary Freeman again said that there would be no legislation and said, in effect, let the wheat farmer stew in his own juice.

Mr. Chairman, the wheat farmer has

voted down the wheat referendum. Well, of course, times have changed a little bit. This is the year 1964. This is an election year. So, I can understand why there is some concern about this. But, there is an interesting series of events to which I would like to refer, if I may. There were some hearings held in our Committee on Agriculture by the Wheat Subcommittee under the chairmanship of my good friend the gentleman from Texas [Mr. PURCELL]. They held some 11 committee hearings and heard some witnesses. It was a rather reluctant procedure. I think it was pretty well emphasized in those subcommittee meetings that unless there was a clamor for this legislation from the wheat farmers themselves, there was no necessity in going ahead and reporting out a bill. I believe the record so discloses. But on January 27, the Purcell bill, the wheat bill, was reported by the Subcommittee on Wheat, significantly enough without recommendation to the full committee, which indicated that that subcommittee after holding 11 hearings came out with no recommendation. Then that bill lay dormant for quite awhile in the committee. Well, on December 4 last year the House passed the cotton bill. On February 4, 1964, the House Committee on Agriculture tabled the food stamp bill by a vote of 19 to 14 which cut across the aisle when 5 members of the majority party voted to table that bill. I assume they felt it was a bad piece of legislation. They tabled it.

Well then, shortly after that, on February 7, 1964, the Committee on Agriculture reported the tobacco bill, sponsored by my good friend the chairman of the full committee, the gentleman from North Carolina [Mr. COOLEY]. A hearing was held before the Committee on Rules on the tobacco bill on February 27, 1964 and the House Committee on Rules tabled the tobacco bill.

Now, Mr. Chairman, I cannot read the minds of the members of the Committee on Rules.

I know something about the composition of that committee and, with all due respect to the membership of that committee, there are quite a few who represent city districts. The grapevine has it that they tabled the tobacco bill and served notice on the leadership that there will be no farm bills until and after the House of Representatives passed the food stamp plan, which is wanted by Representatives from the city districts. I do not think that is in dispute. It is well known, it has been mentioned. But I do not want anybody to be kidded about the deal that is on.

The understanding was, I assume, that Members from the cotton area and perhaps the wheat area will vote for the food stamp plan, then city Members in turn will vote for the cotton-wheat bill when the attempt to drive it down our throats is made tomorrow or the next day.

Then, of course, following, on March 4, the House Committee on Agriculture was rather hastily convened, and what do you suppose it did? They voted out the second food stamp bill. The five mem-

bers of the majority party who voted with us first were on the other side. That is their privilege. I do not know why they changed their minds, but the fact is they did, and they reported out the food stamp plan, I imagine, in accordance with the plan.

Now, here we are today. That is No. 1 on the agenda, according to the timetable plan. We have to pass this food stamp plan bill now, as if it were an emergency. It reminds me of the agitation last year when we considered the feed grain bill and we were bludgeoned into trying to influence the wheat referendum. It did not do a bit of good. The farmers of the country voted against that proposition. They failed to get a majority instead of the two thirds required. This kind of operation is going to also have its implications before we get through.

Get this food stamp bill out of the way, and tomorrow or the next day we will take up the cotton-wheat bill. You know the history of that. The House passed the cotton bill; the Senate passed a cotton bill, and amended it somewhat. Everything else being equal, that cotton bill should go to conference. We have no objection to it going to conference. Both Houses have acted and have had the opportunity to debate it and to amend it. But over in the other body under their loose rules of germaneness they tacked on the wheat bill, which has never been seriously considered in the Committee on Agriculture of the House. No hearings have been held on that particular bill, and no chance was given to amend it. It was gaveled through.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from California.

Mr. HAGEN of California. Is it not correct that the House Committee on Agriculture did approve a wheat bill which is identical with the wheat section of the joint Senate-House bill?

Mr. HOEVEN. Yes; but they did not report out the Purcell bill, which they had previously reported out without recommendation. We attempted to amend the so-called Purcell bill. We of the minority presented amendments. They were voted down by a strict party-line vote. Then a motion was made to substitute the Senate bill for the Purcell bill. There was no chance to amend it. So tomorrow or the next day it will come to us on a take-it-or-leave-it basis. The cotton-wheat bill will be shoved down your throats whether you want it or not.

I am appealing to the honor and integrity of the House of Representatives, and I do not care what political party you belong to. The honor of the House of Representatives is at stake. This is an unprecedented move here to deny to Members of the House the opportunity to debate the bill or even to amend it. They ought to try to send it to conference, but that has not been attempted. This is a part of the deal.

When that is all said and done, after action on the food stamp plan and action on the cotton-wheat bill is completed, do not be surprised, then, if the Committee on Rules reconsiders its tabling of the

tobacco bill and a tobacco bill is sent to the House.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman does not want to mislead the House. I now have a copy of the President's message on poverty. There is a paragraph in there, and there is a reference to the food stamp program for the needy in the President's message.

Mr. HOEVEN. I will check the RECORD. The gentleman is correct. I will not be surprised if the tobacco bill is reconsidered. In fact, my chairman in a statement put in the RECORD the other day said it would be promptly acted upon. I do not know what he meant by that, but apparently it is part of the deal or program to take care of all of these three pieces of legislation.

I hope you will read the minority report on this food stamp plan bill. It consists of 35 pages. It is a comprehensive report.

First of all, this bill is not needed. As has been pointed out in this debate, one out of every six people in the United States is getting some kind of Federal food assistance now. The pilot food stamp program will continue whether this bill passes or not, and will be made available, I assume, to depressed areas if need be. No one is quibbling if they want a pilot program in some sections of the country, but why should we impose this kind of program in all 50 States? You people are not naive enough but to know that these Federal programs once started are going to be taken advantage of, with consequent rising costs beyond imagination. We have 43 pilot plants right now in different sections of the country. Whether this bill passes or not, they can be continued. Those 43 pilot plants are costing the taxpayers approximately \$51 million per year, or over \$1 million a project per year. Can you visualize that when this new expanded program is brought into being in 50 States, in 3,000 counties, and in addition municipalities in this country, this program is going to cost about \$2.5 billion.

Why do I say that? Because a comprehensive appraisal was made of a nationwide program by the U.S. Department of Agriculture in 1957, and that is the figure they came up with, and it is in the report. Times have changed since 1957. The cost of operating the Government has gone up. You put municipalities in this program and it might well cost \$3 or \$4 billion a year, and it all comes out of the Federal Treasury, as far as the proponents of this bill are concerned, and every dollar of it is borrowed money. You people that talk about economy in government better stop, look and listen before you impose that kind of program in view of the fiscal situation in this country. Your own President is calling for economy. This will cost a potential \$2.5 billion and perhaps more before we get through. This bill would destroy responsible local and State government.

I do not have the time here, but I hope

you will read this bill, H.R. 10222, and the report.

The authority given to the Secretary of Agriculture in practically every paragraph makes him a virtual dictator. He decides everything. Now if you do not believe what I am telling you is true, just take a look at H.R. 10015 which was introduced on February 18, 1964, which was superseded by the bill before us, H.R. 10222 on March 3, 1964. Why was a new bill presented? Because one member of our committee pointed out very definitely the unlimited authority given to the Secretary of Agriculture. So in the new bill, in the latest version, they struck out the word "Secretary" and inserted language which still gives full authority to the Secretary of Agriculture and he will still determine everything that goes on in this program.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. HARVEY of Indiana. I want to commend our ranking minority Member on this very fine analysis he is making of the bill. I would like to observe that during our comments, the gentlewoman from Missouri stated by inference, I think, or attempted to leave the impression that Dr. Paarlberg was advocating a stamp plan. I happen to be a very good personal friend of Dr. Paarlberg and I scarcely think he did that. What I think he said, and I believe I read the same statement he made, he was comparing the various methods of meeting the hunger problem so far as people are concerned. But I do not think by any stretch of the imagination that the good doctor should be credited with advocating a stamp plan.

Mr. HOEVEN. I thank the gentleman.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield briefly to the gentleman.

Mr. HAGEN of California. I would judge from what you said about the pilot program, you do not object to it, but I understand that the Secretary of Agriculture has unlimited authority with respect to these pilot programs with none of the restrictions inherent in this bill. Do you approve of that and how do you justify the delegation of authority in that instance and disapprove of it here, because this is a much broader delegation?

Mr. HOEVEN. Well, he operates under the limitation of appropriations, may I say to the gentleman, under the pilot plan program. Let me say in that connection, this new expanded food stamp plan bill is not in the President's budget. The only figure in the President's budget relates to the pilot plan. How do you justify that one? This stupendous program of expenditure is not even budgeted by the administration.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentlewoman briefly.

Mrs. SULLIVAN. In reference to the remark the gentleman made with reference to the statement of Dr. Paarlberg.

I have his book in my hand. It was with reference to subsidizing food consumption. He did not say he advocated a food stamp plan. In his book he said, if we have to have any kind of a distribution of surplus food to the needy, the food stamp plan was far superior to direct distribution.

Mr. HOEVEN. Mr. Chairman, this bill, as has been so clearly pointed out, would not solve our surplus problem. You know, when this type of legislation was first conceived, the objective was to help get rid of surplus agricultural commodities. We have lost sight of that entirely. Under the provisions of this bill, surplus agricultural commodities are only incidentally involved. These people with stamps can go into stores and buy caviar. They can buy a lot of things that are not in surplus. There have been instances of graft and corruption in some of these areas. It is pretty easy to trade stamps or food purchased with stamps for an automobile tire or what-not. We are not going to solve our surplus problem with this kind of legislation.

In the 85th Congress H.R. 13067, a bill to establish a nationwide food stamp program, was defeated in the House of Representatives; but in the 86th Congress legislation was authorized to provide a nationwide food stamp plan. The gentlewoman from Missouri proposed the so-called Sullivan amendment. We know that that amendment was limited to only surplus foods acquired by the Commodity Credit Corporation under price-support programs or under section 32. This authority was never used and it expired in 1962.

This is the issue, in the last analysis. Shall we now embark on a complete welfare program, or shall we go back to our original intent and try to do something to get rid of surplus agricultural commodities? That is the issue.

I can understand why some of my good friends do not like the so-called Quie amendment. Bless your hearts, you do not want any interference with a Federal welfare program. We know full well that some of the States are not going to participate, even if they could. They are not in favor of that kind of a program. They will be practically forced into this kind of setup, once it gets going.

This will require hundreds, and perhaps thousands, of new Federal employees. Let us think about that a bit.

If Members will look at table 1 on page 23 of the report they will find the table presented by the Department of Agriculture. This is not my information. There it is shown how employment is expected to jump from 155 at the present to 985 by the fiscal year 1968, according to the Department itself; 155 people are now needed to supervise 43 pilot operations. That is 3.6 bureaucrats per project. If the program were made nationwide, to cover more than 3,000 counties and every city, the administrative burden would be multiplied tremendously.

Imagine, for example, a food stamp in the District of Columbia. That would certainly require more than 3.6 people to administer and enforce. It would add

thousands of people to the Federal payroll.

That is the history of these kinds of programs, once started.

Overall, in this package deal, what do we find? There is a proposed welfare program for 50 States, to be charged to the Department of Agriculture, which is wrong, in my judgment. The farmers of America and the Department of Agriculture have much too long been charged with the terrific cost of farm programs. Here we are asked to load another burden upon the Department of Agriculture, when it rightfully should be a program administered by the Department of Health, Education, and Welfare. That Department, handling welfare, could requisition food from the Department of Agriculture for distribution.

Coming back to the cost of the food stamp program, in fiscal year 1964 and the next 3 years the bill proposes to spend \$400 million. According to the Department's 1957 analysis, it would be \$2.5 billion a year on a nationwide program.

Then look at the cotton bill, with which we will soon be confronted. That will result in a cost of \$753 million in the first year, according to the chairman of the Committee on Agriculture and Forestry in the other body.

The wheat bill will cost millions of dollars before we get through.

This package deal—not considering tobacco, which will cost a few million dollars also—means we will be considering about \$1.9 billion in added authorizations, and the food stamp plan is not even in the President's budget.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. HAGEN of California. Does the gentleman have any knowledge as to whether Mr. Paarlberg participated in making that 1957 report?

Mr. HOEVEN. I am not here to speak for or against Mr. Paarlberg. I believe that is entirely beside the point. We are not trying Mr. Paarlberg. If the gentleman rests his case on what Mr. Paarlberg said, he has a rather weak position, it seems to me.

Mr. HAGEN of California. Was he not the "economic brains" of the Agriculture Department when Mr. Benson was Secretary?

Mr. HOEVEN. There are a lot of economic brains and there are a lot of economic brains now in the Department of Agriculture, let me say. These cotton people need not worry about legislation. As I say, it is ready for conference. The good chairman of my committee knows fairly well there is going to be a cotton bill whether you pass a food stamp bill or not, and it will not inure to the benefit of the consumers. This wheat bill is not going to inure to the benefit of the consumers. There is a definite tax involved, which should be within the jurisdiction of the Committee on Ways and Means. That tax—call it a bread tax or an excise tax or whatever you want to call it—the fact is that you people representing consumer districts are going to pay a bread tax, if you please, and just do not get fooled on this kind of a deal. I will insert in the RECORD

today, and you will read it in the morning, a sample of dozens and dozens of letters and communications that I have received from baking concerns throughout the United States saying, "If this wheat bill passes, we will be forced to raise the price of bread and other wheat products." I am not going to get into an argument as to whether or not they are right, but I think they tell the truth. Why should they go out on a limb and say differently? They want to protect themselves. They are going to have to pay more for wheat and flour, and the consumer will pay the bill, as he always does. So I hope we can consider these things on their merits and get away from these political considerations and from this quadrupling deal that is in force and effect around here. They are not kidding anybody.

I hope the Quie amendment stays in the bill. That will be the test as to whether you are going to provide a nationwide welfare program or whether you believe in States rights.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I just want to deny that I have been a party to any sort of dealing or wheeling or any other type of transaction that involves any more than a vote on this bill today and a vote on the other bills as they are scheduled by the leadership to come before the House.

I have one further statement I would like to make. I again call my friend's attention to the fact that here is the President's message on poverty and the reference is to this stamp program which we have here.

I have one other observation. Talking about the bootlegging and mishandling and mismanagement of the program, this program has been operating in my home county and through it more than 8,000 people have been receiving benefits. There have been undercover agents from the FBI there for 3 long weeks in a search night and day for some evidence of corruption or mismanagement, but they did not discover any at all. These people that criticize these programs know nothing about the programs. I think it would be well if I appointed a subcommittee so that they could visit some of the places where the program is in operation.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. I hope my good friend, the chairman, will not feel that I was singling him out. I never mentioned the gentleman.

Mr. COOLEY. I know you did not, but you were looking at me all the time.

Mr. HOEVEN. I did not personally charge him with being the generalissimo of the plot. I think there are several involved and it is apparent. As to the gentleman's project, I can well understand it may work perfectly in North Carolina, but it is a pilot plant that is being financed out of section 32 funds.

Mr. COOLEY. That is right.

Mr. HOEVEN. Just because the gentleman has a good program in his State, why should he attempt to force that kind of a program into 50 States?

Mr. COOLEY. That is just it. I want it clearly understood this program is not being forced on anybody. It cannot be forced on any community or any State or subdivision thereof.

Mr. HOEVEN. It is a voluntary program, but I pointed out these Federal programs have now become awfully attractive, just like this new cotton-wheat proposal you mentioned. That is supposed to be voluntary, but it is a voluntary-compulsion bill.

Mr. COOLEY. The gentleman is proceeding out of order to talk about the wheat bill. We will discuss that when we reach it. But the fact of the business is it cannot be accurately called a tax on bread. The whole thing is designed to prevent that but notwithstanding the way the bill has been designed and the program has been arranged we still hear talk about a bread tax. But we will cross that bridge when we come to it, I am sure.

Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. MOORHEAD].

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Chairman, in March of 1963 a pilot food stamp program was launched in my city of Pittsburgh.

I believe that the fortunate experience that the city of Pittsburgh has had with the food stamp program demonstrates how this program can benefit other communities.

Nearly 40,000 Pittsburgh citizens participated in the food stamp program during January 1964. This represents a decline in participation from the peak of March 1963, when the program was launched, and the reason for the decline of around 9,000 is the improvement in general economic conditions. The program itself can be credited with some contribution to this improvement.

The Pittsburgh Post-Gazette, in a recent editorial, describing the program as an "integral part of the drive against poverty" concluded simply, "the program has benefited Pittsburgh."

In a 1962 editorial, the Pittsburgh Press, a Scripps-Howard newspaper said, "The food stamp plan involving some thrift, planning, and selection by the customer and putting the food traffic back into the channels of normal trade, is vastly preferable," to the surplus food distribution program.

This experience could be repeated in every congressional district across the Nation.

Here is what has happened in Pittsburgh under the pilot food stamp program:

Food purchasing power, over a period of 11 months, was improved by \$2,737,911. Nearly 1,000 retail food stores have benefited from this additional purchasing power, as have untold numbers of farmers as consumption of their products was increased.

Social benefits have matched those on the economic side. Mayor Joseph M. Barr of Pittsburgh put it this way:

I am sure—

He said—

most persons will agree the stamp plan provides a dignity for qualified recipients.

This program is a demonstration of respect for the dignity of the individual. He is permitted to buy his right to participate when he can make such a contribution, and he is permitted to utilize the food purchase channels used by his more fortunate neighbors.

The Pennsylvania Grocers Association has endorsed the food stamp program and its resolution was followed with this explanation:

It is a fact that in areas where the food stamp program has become operative, food store sales have increased. Additionally, wherever the program has been installed, the overall economy of the area has improved as much as 10 percent. But, while these effects are much to be desired, we believe that food men and others in business, thinking as citizens, must have an even deeper interest in the opportunity for better nourishment for many underprivileged which the stamp program makes possible—and in the greater dignity that the program gives to food stamp users. These social aspects have a far-reaching and desirable effect on the community.

The food stamp program is good for people, good for business, and good for agriculture. I urge the adoption of a permanent national food stamp program.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. HECHLER].

(Mr. HECHLER asked and was given permission to revise and extend his remarks.)

Mr. HECHLER. Mr. Chairman, I concur in the remarks of the gentleman from Pennsylvania [Mr. SAYLOR], the gentleman from Missouri [Mrs. SULLIVAN], the gentleman from California [Mr. HAGEN], and others who have indicated that the 50-50 matching amendment would effectively kill this food stamp bill. In the time yielded me I would simply like to read a telegram from the commissioner of welfare of the State of West Virginia, W. Bernard Smith:

I was greatly disturbed to learn of the unfortunate action taken by the House Committee on Agriculture in amending the bill for the expansion of the food stamp program to require the State to provide 50 percent of the bonus payments. This program has been of material benefit to the people of West Virginia and is, in the opinion of all concerned, one of the most beneficial programs authorized to assist the needy persons in the poverty pockets of our Nation.

This program has received enthusiastic endorsement from educational authorities for the effective manner in which it benefits the diet of the schoolchildren of these depressed areas. They tell me that it is amazing to watch the effect of the improved diet furnished by this program upon the learning ability and attitude of these children. It has been an aid to insuring that these children receive the education so necessary for them in their future adult lives.

In addition to the marked improvement in diet and attitude of the persons assisted by this program, it has also been of tremendous

assistance to the small merchants of this area and has, in fact allowed many of them to remain in business life rather than be forced into bankruptcy and unemployment themselves.

We also find from our experience that it is a much more efficient method for providing the necessities of life than the commodity program which requires a seriously depressed State to expand considerable amounts of its resources for storage, transportation, and the control of a tremendously cumbersome program. The food stamp program also insures that the children of these families actually receive the food intended for them rather than, as in the case in the commodity program, the surplus items are sometimes traded or sold for other purposes, a practice which is impossible to eliminate.

While the cost may be somewhat higher, how can we judge this cost against the savings in human misery, especially as it affects the unfortunate children as we attempt to insure that they, through education, are prepared for the complex society of the future. A child must not be required to learn and fight hunger at the same time.

Here is a very important point in this telegram:

To require the State to provide 50 percent of the bonus stamps would impose upon the depressed economy of this State the additional burden of \$7 million for a statewide program.

The proposed bill would also deviate from the accepted procedure in other Federal-State matching situations of Federal reimbursement to the States for their expenditures. For this plan to work, the stamps must be Federal in nature to allow the use of the banking system and the Federal Reserve. Under the proposed legislation, the State would be reimbursing the Federal Government for its expenditure. This, under our State constitution, as well as others, would be construed as creating a debt and invalid.

In other words, the committee amendment to the bill rather than simply restrict the program would kill it entirely.

I most earnestly urge that the committee amendment be defeated and the administration bill based upon tried and proven practice be enacted.

W. BERNARD SMITH,
Commissioner, Department of Welfare,
State of West Virginia.

Mr. Chairman, this is a free enterprise bill. Instead of relying on Government-dominated machinery, it enables grocers, merchants, wholesalers, and the banking community to participate through the normal channels of trade.

I was present at the official launching of the food stamp program in Wayne and Logan Counties, and have closely followed the progress of the program and its effect on the people and economy. In West Virginia, it has clearly helped the needy and restored dignity to the individuals participating. It is also administered with tighter controls.

I certainly hope that this bill will pass, minus the crippling amendment which requires 50-50 State matching.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. RYAN].

(Mr. RYAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. RYAN of Michigan. Mr. Chairman and my colleagues, I am in favor

of the food stamp bill for the following reasons:

In this year of 1964, our Nation has reached exceedingly great economic growth.

The economic expansion which began early in 1961 has continued for more than 3 years. This month we are marking the longest and strongest economic expansion in our history in any peacetime period.

As proof of this statement, we can point to the fact that our gross national product has risen nearly \$100 billion since 1961. This is a 16 percent increase. Our gross national product at the end of 1963 was over \$600 billion.

Personal income generally rose to a record of \$463 billion in 1963, up 17 percent.

Personal income per capita reached an annual rate of \$2,500 per American. Corporate profits after taxes reached an alltime high of \$27.4 billion. Industrial production has increased 23 percent to an all-time high.

Our national unemployment has decreased from 7 percent to 5.3 percent, and for the first time in many years, the civilian employment was over the 70 million mark.

It is wonderful to point out these facts and figures of record-smashing national economic achievement.

But, as in so many other cases, there still remains the other side—and it is not a healthy picture whatsoever. Our vast economic growth has done wonders, but there are still too many weak spots left.

We, as Americans, must look at the whole picture and then surely realize that we must consider our less fortunate fellow citizens and their economic state of life. We should and must consider the status of our undernourished and impoverished brethren.

There are still 5.3 percent of the labor force remaining idle in spite of our huge economic growth. Two million more jobs are needed immediately to give work to those capable of working, but who cannot find the jobs or work.

In addition to those unemployed through no fault of their own, there are the untold thousands of Americans existing somehow in between the levels of abject poverty to a substandard status.

It is this class of people living below the subsistence level for whom the food stamp program is intended.

As I understand, the persons to become eligible to participate in this program must be first approved either by a city or county welfare agency.

These people may consist of welfare recipients who qualify automatically, or may include those classified as categorical assistance recipients, such, as some of those receiving old age assistance, aid to the blind, aid to the disabled, and aid to dependent children. The help supplied by the agency in charge, but working under the direction and control of the Department of Agriculture and the local welfare agency, varies in accordance with the income or lack of income of the recipient family.

The purpose of the food stamp pro-

gram is to provide these indigent families with the opportunity to have an adequate diet. It gives these people the means to provide staple and nourishing food products for their families and to help develop healthy Americans for the future. Another purpose is to make available to them some of the great quantities of our farm surplus that is stored in elevators and bins and warehouses throughout this rich country.

From the survey made in Detroit in a 1-year program, 80 percent of the gains in the value of food consumed represented animal products, grains, fruits, and vegetables; all grown by the American farmer.

None of the stamps can be used for any other purpose.

Products, such as tobacco, soft drinks, frozen foods, alcoholic beverages, and imported foods are absolutely out.

This program is a reverse type of a foreign aid program, in that it is aimed to provide indigent Americans with American-grown food. It really does not make sense that we can boast about our economic gains without taking means to allow our less fortunate and underfed and undernourished citizens to share in these surplus crops. The farmer gains almost as much as the recipient. Under this food stamp program.

Here is how this program works in Detroit:

First. The eligible person receives an identification card and an authorization to participate from the local welfare department. He signs both in the presence of the issuing person.

Second. He pays the money to a cashier who issues the number of books shown on his card. These books are signed then and there—before his leaving the office.

Third. The participant takes the coupon books to his grocer and exchanges the coupons for food. He must show the grocer his identification card and his signature on the coupon books.

Fourth. The grocer must tear the coupons from the book. No cash is handled, but sales taxes are paid on the transaction by the consumer.

Fifth. The grocer redeems the food stamp coupons and thereby receives his money.

In the city of Detroit, there has been actually no financial loss. As a matter of fact, from the disbursement and sale of \$22,644,480 in food stamp programs, and the related collection of \$7,946,635.00 in cash; or, in other words, in a total of 281,532 transactions averaging only \$28.23 each, there was only a loss of \$143 during the year period of July 3, 1961, to June 30, 1962.

The records are carefully audited by the U.S. Department of Agriculture, as well as the city of Detroit.

The pilot food stamp program has been an outstanding success in the city of Detroit.

Its continuation, to assist any community in meeting the problem of chronic unemployment, is vital. This program is really an essential instrument on the war on poverty.

In conclusion, I would like to close with

a letter written by a food stamp program participant.

DEAR SIR: I went back to work December 11, 1962. My earnings are now such that I have become ineligible for food stamps. However, I would like to compliment you people for your fine services and highly praise this food stamp program. It has assisted me and my family of 10 children greatly while I was out of work.

Yours,

Mr. COOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. RYAN].

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Chairman, I rise in support of H.R. 10222, the Food Stamp Act of 1964.

Mr. Chairman, exactly 200 years ago the mastheads of various American colonial newspapers demanded "liberty and property, and no stamps." The rallying cries of liberty and property still ring out, but this generation of Americans clamors for all the stamps it can get. Where editorials once condemned stamps as the symbol of foreign domination, advertisements now glorify them as the key to luxurious living. American husbands who used to toss stamped tea into the sea, now help their wives carry home bags of groceries and paste premium stamps in booklets they hope to transform into outdoor grills and motorboats.

And yet the attitude of yesterday is not totally dead. There are some in this House today who think that there are stamps—and there are stamps—that what may be good for Peter Prosperous may not be good for Paul Poor. I suppose most of my colleagues accept the idea of stamps in books of those who can afford bountiful supermarket shopping. But some of these same persons are unwilling to support the bill before us which enables the impoverished to obtain stamps with which to purchase necessary nourishment. How in 1964 can one approve of food providing stamps, while refusing to allow stamps to provide food? How in a nation that has amassed the greatest wealth and greatest overweight in the history of the world can we complacently permit some of our neighbors to go hungry? We do not live in a society in which there is not enough to go around. In the United States of America hunger is not the result of national malnutrition, but of the failure to use our abundance.

Our present age of affluence is replete with contradictions. With our grain stores bulging with agricultural surplus—abundance, or superabundance, which Secretary Freeman has pointed out, has been and is, of "enormous benefit to the American people"—how can it be possible that some 13 percent of the American people have serious nutritional shortages? The breadlines of the thirties are gone; our gross national product has increased eight-fold in the intervening years, but children are still ill-fed.

President Johnson has called for a war on poverty, a war to be fought "in the field, in every private home, in every public office, from the courthouse to the

White House." This body has the opportunity today to win the first battle in the war—it has the opportunity to see that no American shall be without food—not just the starchy products of our grain surplus, but other staples necessary for a balanced diet. Let us take this first step in this campaign—that of obliterating hunger. As Carl Sandburg has said:

The empty belly instructs the tongue.
* * * Unless you say "eat" the hungry belly can't hear you.

You cannot teach a hungry child, and you cannot train a hungry man.

A food stamp program is not, as some suggest, a radical innovation thrust upon the American people. It began in 1939, supplanting a direct distribution program which had been in effect since 1932 and which was designed to get rid of food surpluses owned by the Government as a result of price support activities. A study in the 1930's revealed that some one-third of all families in the United States had inadequate diets. Poor diets appeared to be correlated with low incomes. Malnutrition was linked to unemployment. These studies initiated a search for a technique for diverting surplus foods to needy families. The result of this search was the ancestor of the program we are considering today, a program with a history stretching back a quarter of a century.

Stamps were initially distributed on an experimental basis. Then distribution was expanded, until stamps were available in areas which included one-half the total population of the country.

In 1943, after World War II had practically eliminated both unemployment and food surpluses, we ceased to rely on stamps and reverted to direct distribution. The Department of Agriculture determined that the 1939 food stamp program was a "great improvement over direct distribution to needy families. It was more effective both as a means of improving the diets of low-income families and in strengthening farmers' incomes." While it was in operation, the Government did not buy surplus food and donate it to needy families, but sold food stamps and allowed the families to use the stamps to buy food in their local stores. The stamps increased the food-purchasing power of participants by 50 percent. A family could buy \$1.50 worth of food stamps for \$1. In practice the low-income families could buy whatever foods they most wanted and needed. Their diet was not restricted to whatever the country happened to have left over. The nutritional values of grains were enhanced by the vitamins derived from meats, dairy goods, eggs, fruits, and vegetables. The farmer, too, benefited from the consumption of crops which were not bolstered by price supports.

Most farmers, food distributors, and needy families liked the plan. Farmers saw it moving surpluses into consumption. Distributors found it profitable because private industry did all the buying, processing, transporting, and selling. Consumers were eating better.

To claim that it was without opposition, however, would be to exaggerate its

popularity. Some farm spokesmen believed it should concentrate the added purchasing power on those foods that were truly surplus. Others thought it should be financed by the Social Security Administration instead of from USDA funds. Some professional welfare experts viewed it as "relief in kind" and argued for "relief in cash" with no strings attached. There were some doctrinaire defenders of laissez-faire who opposed all programs for food diversion—whether to exports or to storage, to industrial uses or to needy people. Others argued that diversion programs keep alive an uneconomic farm program. Regardless of the merits of these views, as long as we have food surpluses and hungry people, it is immoral to keep the surpluses from needy families. These same criticisms have been echoed in 1964. The replies to the critics are as telling in 1964 as they were in 1939.

Mr. Chairman, let us look at our present practices with respect to food surpluses. A few years after World War II, as unemployment grew and food surpluses increased, the Department of Agriculture revived and expanded the old program of handing out whatever surpluses happened to be available. In 1953 it was reaching only 100,000 needy persons; in 1959, 5,741,000; and in February of 1964, 6.1 million in the Nation—251,000 people in the city of New York alone—were getting commodities. New York State in fiscal 1963 utilized 82 million pounds of food worth \$18.4 million. Clearly the direct-distribution system is now reaching enormous numbers of people.

But what about its quality? In December 1960, a typical monthly donation for a family of four persons consisted of 10 pounds of wheat flour, 10 pounds of corn meal, 2½ pounds of rice, 4½ pounds of dried milk, 3 pounds of lard, 4 pounds of beans, and 3¼ pounds of dried eggs. The people on the receiving end have little choice. Once a month they appear at the distribution depot and trudge home lugging some 37¼ pounds of food. It is difficult for me to speak for the rest of the country, but let me tell you that in New York City, where the depots are frequently miles from the "pockets of poverty," it is no easy matter getting close to 40 pounds of bulky packages onto an overcrowded subway or bus.

Cumbersomeness and poor variety are not the only criticisms to be leveled at the existing food-distribution policy. In areas such as Appalachia and some parts of New York City where 25 to 40 percent of the population are getting commodities, it hits the retail grocer—whose livelihood frequently depends on the sale of staples—where it hurts. He cannot compete with a Government handout.

The need to reexamine the existing program was brought home to the Nation by President Kennedy in his economic message of February 1, 1961. At that time he called for the Department of Agriculture to proceed as rapidly as possible to establish pilot food-stamp programs for needy families in each of eight representative locales. He said, and I quote:

It is my hope that this pilot program, while providing additional nutrition to those now

in need, will pave the way for substantial improvement in our present method of distributing surplus food.

In January of 1962 he summarized the progress made when he said:

The pilot food-stamp program in eight communities has brought such encouraging results that its administrative expansion in a further trial period to many additional communities is justified and is included in the new budget.

The results have continued to be encouraging, so that today we are asking that the food-stamp program—that now is operating successfully on an experimental basis in 43 areas in 22 States, covering some 380,000 persons—be expanded and made permanent.

The food-stamp operations differ in three main ways from direct distribution. First, the stamp program enables participating families to receive a fully adequate diet while a direct distribution program that has been enlarged to include peanut butter and canned meats, falls far short of this worthwhile goal. Second, as in 1939, the stamps must be paid for, so that the governmental subsidy provides a real net increase in total food consumption. Third, the food-stamp program operates through the private food trade; it does not set up a governmental food-distribution system in competition with industry.

Conceivably, direct commodity distribution might be expanded until it provided adequate diets without cost to most needy families. But there are difficulties here. The families would either stop buying food or would have more than necessary. The food trades would begin crying "unfair competition," and the cost to taxpayers would be substantially greater than that of a stamp program, in which participants pay a substantial part of the cost.

Before discussing the bill's provisions, let us examine some of the props on which the shaky platform of the opposition rests. The foundations of this platform are weakened by the argument that this is a welfare bill and that the Department of Agriculture is not a welfare department. Those who hold the view that the bill "smells of welfare" presumably think that the Department of Agriculture should be strictly a farmer's department. That was not the original idea. Abraham Lincoln, in his fourth annual message to the Congress exactly 100 years ago, declared:

The Agriculture Department * * * is precisely the people's Department, in which they feel more directly concerned than in any other.

In the past the Agriculture Department has not limited itself to the interests of agriculture but has been traditionally concerned also with consumers. It has crusaded for pure foods, for grades and standards, for research and education in home economics. And it has promoted programs, such as food stamps and nickel milk that were great improvements over direct distribution. Surely the direct distribution program in which commodities are distributed free of charge is every bit as much a welfare program as the one in question today in which participants must con-

tribute to the payment of cost by purchasing the stamps. The contention that welfare belongs to HEW cannot stand close examination. Every department of the U.S. Government must devote itself to the welfare of the American people.

It is also argued that the proposed bill is not even a partial solution to the farm surplus problem. I do not think that the long-term interests of agriculture are always served best by trying to rescue whatever commodity or area happens to be in trouble at a particular time. A stamp program, such as this, is an effective way of developing better markets for meats, dairy products, eggs, and for many fruits and vegetables. The statistics from the pilot programs have shown that the stamp program has led to a significant increase in the consumption of these foods. Retail sales in the areas involved have gone up on an average of 8 percent, and the additional consumption of meat alone has increased by a pound per person per week. Increased meat consumption means a need for more grain with which to fatten the cattle. In the long run, the expansion of markets for the aforementioned products will help agriculture. Of course, a domestic food distribution program will not solve our farm problems.

The bill before us contains a program geared to our whole marketing enterprise system whose expressed object is to "strengthen the agricultural economy; to help achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households." I have already discussed how it is designed to strengthen the agricultural economy. The food-purchasing power of needy families is an untapped major market. Statistics show that the fruit and vegetable consumption of those families participating in the pilot has more than doubled. The farmer gets a good part of the consumer dollar in payment for these. By enlarging and stabilizing the food demand in the United States, the food-stamp program is expected to increase our total national expenditure for food, thereby raising the income of the farmer.

Congress today, as in the past, is obliged to legislate to promote the general welfare. The food-stamp program has and will continue to do that. It seeks to assure that needy families will have at least a minimum standard American diet. Unless we increase welfare payments to a level insuring a decent minimum standard of living, there is no other way of providing that all Americans shall be adequately fed. Adequate cash relief in all States is obviously very necessary, and we must be careful not to let this program be used as an excuse for lowering cash payments. But so long as cash relief is inadequate—and recent studies have shown this to be true—and so long as we have food surpluses, there is no excuse for refusing to come to the aid of the needy in a way that is so obviously possible.

The program is designed to benefit the recipient, the retail food dealer, the U.S. Government and the State and local governments. Those eligible for partici-

pation are obliged, on the average, to pay for \$6 out of every \$10 worth of stamps they receive. This is no handout program, but one that surely will contribute to the participant's sense of dignity and well-being. No longer limited to the cereal products of the surplus distribution system, he is now given a freedom of choice. He can buy what he wants, where he wants, when he wants. The humiliation of the breadlines and the handouts will be banished. The participant will budget his money to make sure that he will have the cash for the food coupons. If he is receiving social security or a welfare check, the dates of the purchase of the stamps will coincide with the arrival of the payments.

The retail grocer will benefit, for his sales will increase with the increased purchasing power of the families in his neighborhood. The Federal Government is relieved of most of the burdens and administrative tasks of the direct distribution program. The suspension of the commodity distribution system is expected to offset 80 percent of the cost of the food stamp scheme. The current distribution program cost the Government a total of \$204,400,000 in fiscal 1963, a figure which includes the commodity cost, warehousing, transportation, processing, repackaging, and miscellaneous handling charges.

State and local governments are assigned most of the administrative details. Each State is responsible for the establishment of standards to determine the eligibility of applicant households, standards subject to the approval of the Department of Agriculture when the area makes its application for a program. The program can be geared to local conditions and local problems. The pilot programs, which covered the large urban situation in the city of Detroit and that of rural West Virginia and northern Minnesota, have shown that this approach is feasible. It is expected that 25 million persons will be potentially eligible to participate in a Federal food stamp program of minimum scope—4 times the number in the present distribution program. The pilot projects have determined furthermore that the additional purchasing power of the families is being spent on the meats, dairy products, fruits and vegetables that they had never before been able to enjoy. Let us make sure of putting these goods in the hands of those who most need and will most enjoy them by passing H.R. 10222.

Let us also make sure that we pass an effective bill. The requirement that participating States pay 50 percent of the costs of the program is unwise and would cripple the program. I urge my colleagues to join in defeating that amendment tomorrow. Mr. Chairman, in closing let me ask my colleagues to pause and think for a moment the next time they see the luxuries that can be exchanged for premium stamps. Let us make it possible for those who cannot afford dreams of luxuries to at least have stamps with which to purchase the necessities dreamers take for granted. Let us begin to stamp out hunger in this Nation.

Mr. COOLEY. Mr. Chairman, I yield

such time as he may consume to the gentleman from Illinois [Mr. LIBONATI].

(Mr. LIBONATI asked and was given permission to revise and extend his remarks.)

Mr. LIBONATI. Mr. Chairman, the road to poverty is footworn by the millions of hunger stricken humans whose withered bodies harbor near dead souls without ambition or substance. The most innocent in responsibility for their impoverished condition are the children who through the unfortunate circumstances of birth are wasting away without succor or substance. These can be truly called the resulting loss of a decadent generation.

We, as a God-fearing people, with charity in our hearts, have sponsored and supported tremendous international charity programs among the peoples of the earth—to give impetus to their self-uptift and to so stimulate their economy to increase their opportunities to pursue and enjoy normal living standards and remunerative employment.

And thus we have in these world encompassing projects spent enormous sums of money—\$130 billion, including the Marshall plan—while being strict in the regulation of limitations and a too conservative control over our relief food program.

H.R. 10222 is designed to extend the Food Stamp Act Plan of 1964 over the Nation and further expand to thousands of our needy citizens the benefits under the act.

The expanded program will further strengthen the agricultural economy, increase the use of food abundances, reduce storage and other costs, stabilize the health, and insure the well-being of our needy, to regulate through cooperative Federal-State programs of food assistance through normal trade facilities and merchants in private enterprise as outlets for distribution to the recipients.

There are 43 such local areas operating under the stamp programs since 1961—under H.R. 10222 the program is under congressional direction and further provides specific legal authority for the program.

The accumulation of surplus foods should not be considered solely for over-sea negotiations but should serve a most salutary and righteous purpose in being placed at the disposal of indigent persons for home consumption.

Under the bill any area organized through an agency "set up" to administer public assistance programs can submit a request for the establishment of a food stamp program—its plan of operation, factual data—incident to the scope and statistical basic determinations are presented to the authority petitioned.

Each State is responsible for the costs of operation including costs of administration the determination of eligible households, together with the investigations, conferences with citizens seeking participation; the control, issuance and protection of the coupons upon their transfer by the Federal authority. The collection of data as to households certified as not being on the public assistance rolls—being of a Federal interest for

aid—such costs will be met at the Federal expense.

The Secretary of Agriculture will pass upon the State and local plans of operation presented for approval.

From previous statistics it was determined that 60 percent of the households approved as participants of the program are not on the relief rolls or receiving public assistance—but whose eligibility to participate was based on their economic status. This indicated that help was needed if the attainment of a nutritionally adequate diet should be realized. Each State would establish these standards subject to the approval of the Secretary of Agriculture.

Any foods are eligible for consumption except alcoholic beverages, tobacco, imports or foreign foods so identified or packaged by mark or brand; also soft drinks, and luxury foods—including those frozen.

The member of the eligible household makes application to the local welfare agency for the right to participate in the stamp program. The welfare agency determines the percentage of the household income which would normally be spent for food which can be purchased with food stamps.

Upon being given approval the member takes his authorization and the money allocated from his budget for food purchases, and buys his allotment of food stamps at the issuing agency—usually a local bank. He makes his purchases at a participating retail store having received \$10 in stamps for about \$6 plus cash. The Government redeems the stamps by Government check upon a deposit of the same at his bank, the stamps can be used to pay the merchants bills to wholesalers who are listed as participants. The stamps are redeemable through the banking systems.

This bill will upgrade the diet of those who are not able to, because of their low income and family responsibility to provide proper nutrient foods for their consumption. The bill will also reduce the cost of maintaining tremendous surplus foods in storage plants at high rental and preservation costs.

The costs of the program for an estimated 4 million persons is estimated at \$360 million per year.

The net savings to the Government under the direct system of distribution would be between \$185 million and \$280 million per year. This wide range of estimates of saving reflect the difference between the value of the surplus food involved in the entire range of the operations of the program. Also the consideration of the surplus foods at costs when purchased and the value of the same at time of distribution.

An additional expense in the perfecting of the system is listed as \$175 million the costs of the surplus foods or as low as \$80 million at market value at period of distribution. A survey indicates that the present 1,500 counties participating under the present act will seek certification under H.R. 10222.

H.R. 10222 is a real contribution not only to the welfare of the people in need but a stimulant to the prosperity of the farmer and our economy. Its applica-

tion will increase the number of participants from some 380,000 persons and 43 areas in 22 States covering 1,500 counties—the present program—to a nationwide expansion of 4 million persons and makes the food stamp program permanent. There are now on file 234 requests for the program from other localities.

The increase in the demand for vegetables, fruit, and meat resulted in the stimulus given by this program, and also resulted in the increase in the use of feed grains. Thus not only were diets increased in quantity but the varied selection of other foods were made possible. Thus the food stamp program also benefits the food industry as well as the consumer. And the cost to the Government is the same. The violations were less than 1 percent.

The studies made of the pilot food program together with the research agencies determinations attest as to its future effectiveness under H.R. 10222—the benefits to the Nation resulting from its operation will prove the food stamp program as an essential instrumentation in the war on poverty.

Mr. COOLEY. Mr. Chairman, I yield such time as she may consume to the author of the bill, the gentlewoman from Missouri [Mrs. SULLIVAN].

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, in view of what the gentleman from Iowa said about this stamp plan putting a burden on the backs of the farmers, I say this program puts nothing on the backs of the farmers; it puts new outlets for food sales before the farmer, however. It gives him a chance to expand his market for food—among the 4 to 6 million Americans now living on less than adequate diets because they cannot afford good diets.

It makes customers for fresh meat and fresh eggs and fresh fruits and fresh vegetables and fluid milk out of Americans who have been subsisting on powdered eggs, dried beans, powdered milk, cornmeal, and peanut butter and practically no meat at all.

When we talk about the costs of this program being "put on the farmer" it seems to me we are talking nonsense; all of the taxpayers pay for all of the expenses of government. Most of those taxpayers are in cities, not on farms.

Furthermore, on what basis was it decided in 1935 that one-third of all customs receipts—now about \$300 million a year—should be reserved to benefit the farmer by removing surplus foodstuffs from the market? Do we not all pay tariffs? We are not complaining about the farmer benefiting from section 32. In many ways—through the school lunch program and in other ways—this helps all Americans. It helps us all to have prosperous farmers. They are good customers for what we produce in our factories. But this cannot be a one-way street. Helping the farmer when he produces too much food must also lead to helping the poor who cannot afford to buy enough food. The food stamp plan expands the purchases of food by mil-

lions of low-income people in this country—and by purchasing those foods and eating them, the food stamp participant keeps a lot of food from going into surplus Government stocks. Let us not worry about the bookkeeping in the Federal budget as long as we know what we are paying for.

Mr. COOLEY. Mr. Chairman, I have no further request for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Food Stamp Act of 1964".

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes, had come to no resolution thereon.

ASSISTANT SECRETARY CARVER ADVOCATES ESTABLISHMENT OF PUBLIC LAND LAW REVIEW COMMISSION

(Mr. ASPINALL asked and was given permission to extend his remarks at this point in the RECORD and to include the remarks of the Assistant Secretary of the Interior, John A. Carver, Jr.)

Mr. ASPINALL. Mr. Speaker, last Saturday, at Denver, Colo., I had the pleasure and privilege of presenting the keynote address at a public lands conference convened by the Colorado State Division of Natural Resources and the Natural Resources Council of the Colorado State Chamber of Commerce.

The conferees were primarily concerned with legislation that I have sponsored for the establishment of a Public Land Law Review Commission which would be authorized under H.R. 8070, passed overwhelmingly by the House of Representatives March 10, 1964. I was gratified that representatives of a wide cross section of user interest supported the Commission approach to, what I consider, a vitally essential reexamination of all the public laws.

I wish to take this opportunity, Mr. Speaker, to compliment those who were responsible for the planning that made the meetings on Saturday, April 4, 1964, interesting, informative, and worthwhile. It is impossible to mention individually all those so responsible; but let me commend to you specifically three dedicated Coloradans who may always be found working on civic and public issues: Gov. John A. Love, Richard S. Kitchien, chairman of the Natural Resources Council of the Colorado State Chamber of Com-

total number of jobs." Structural unemployment—which can be described as the failure of the labor market to match the manless job with the jobless man, for any one of many reasons—is acknowledged by the council to be "also a serious problem, which requires major policy actions to overcome its corrosive effects." In tracing the course of unemployment from 1957 to the present, however, the council goes on to say: "The available evidence does not show that the proportion of our total unemployment problem that we label 'structural' has increased significantly, nor that its character has changed."

Put another way, the council's argument is that there are no new structural factors to account for the increase in the unemployment rate between 1957 (when it was a "normal" 4.3 percent) and 1963 (when it was an "excessive" 5.7 percent). The unemployment problems of Negroes and teenagers—both "disadvantaged groups" in the council's terminology—are worse today than they were in 1957, but no worse than would have been expected given the increase in overall unemployment. Similarly, the council points to the fact that unemployment rates have increased among groups that might have been expected to have the least trouble in finding jobs. College graduates, according to the council's data, had 1.4 percent unemployment in 1962, compared with 0.6 percent in 1957.

WOMEN AT WORK

Marked shifts that have occurred within the labor force since 1957 raise some questions with which the council's analysis does not deal. For instance, there has been a remarkable growth in the number of women, particularly older women, coming into the labor market. Between 1957 and 1963, total employment in the United States climbed from 65 to 68.8 million; of this 3.8-million increase, 2.5 million, or 65 percent, came in the number of women employed, with the new worker predominantly in the over-45 age brackets. Overall, women account for almost exactly one-third of the labor force.

Meanwhile, almost half the increase in unemployment from 1957 to 1963 was among women, including—in the 1957-62 period—a jump from 186,000 to 1.1 million in the number of women who said they were looking for work at one point or another during the year, but were unable to find it at any time. (The number of men in this predicament has held relatively steady around 750,000.) While older women dominate the new labor force entrants, they as a class appear to have had relatively little trouble finding jobs. Most of the increase in female unemployment has been in younger age groups.

It is clear that the vast majority of the women who have surged into the labor market are secondary wage earners—their families do not depend on their earnings for basic support. In March 1957, for example, 11.5 million married women living with their husbands were either working or looking for work. In March 1963, this figure was up to 14.1 million—a far faster increase than can be accounted for by population growth alone.

In large part, the increase in the number of working wives reflects sociological, as well as economic, factors—the upgrading of living and spending habits, the easing of household chores, changes in social and business attitudes, to name a few. The fact that wage scales for women are lower than for men in most occupational categories provides a strong incentive for employers to seek out capable women. Citing these facts does not deny that, for many women, work is a matter of true economic necessity. At the same time, the impact on total unemployment of the new dominance of women among labor-force entrants must be recognized, lest an ex-

aggerated picture be drawn of large numbers of stable, highly qualified, primary earners standing around waiting to be pulled into the productive process. Indeed, the unemployment rate for married men—who may be presumed to be strongly attached to the labor force—traditionally runs well below the average. During 1963 it stood at 3.4 percent, compared with a 9.6 percent rate for widowers and men separated from their wives or divorced.

EDUCATION AND EMPLOYABILITY

While population factors and changing ways of life alter the composition of the labor force, the continuing revolution in industrial technology is twisting the shape of the job market, pushing down demand for persons with little or no training and sharply boosting the need for those of high skill. A new study by the Labor Department contrasts the 1962 employment experience of white males aged 45 to 54 in relation to their educational backgrounds. Not surprisingly, those with less than 4 years of schooling had a much higher unemployment rate (8.4 percent) than those who had completed 4 or more years of college (1 percent). What may be even more significant is that 13.7 percent of the poorly educated group were neither working nor looking for work, compared with 2.9 percent of the college-educated group.

The unemployment rate among top occupational levels, while much lower than among the least skilled, has itself been rising. "Professional, technical, and kindred workers," for instance, had a 1.8-percent unemployment rate in 1963, compared with 1.2 percent in 1957. This development frequently is cited to bolster the argument that U.S. unemployment is principally the result of deficient demand.

Actually, it can be ascribed with at least equal plausibility to the ever higher degree of skill that is demanded of workers, and to the inability of official statistics to measure skills. Especially in the higher skill occupational categories, BLS has no way of really knowing the actual ability of the unemployed person to hold another job of the same designation as the one that was lost. Official compilations provide no clue. In an economy characterized by a general and constant upgrading of occupational demands, however, it is reasonable to expect that turnover would accelerate among holders of the most exacting jobs.

The message that education has more than a little to do with employability apparently is coming through. Even though the growing numbers of high school dropouts constitute a social problem of real gravity, workers generally are steadily improving their educational status. In 1952, the median schooling completed for the entire labor force was 10.9 years—11.4 for whites and 7.6 for nonwhites. In 1962, it was up to 12.1 years—with the average schooling of nonwhites improved sharply to 9.6 years.

Merely counting the years spent in school, of course, neglects the qualitative aspects of education. Some jarring findings on this score have been derived recently from tests administered to selective service inductees. President Johnson's Task Force on Manpower Conservation estimated that, of the 1.4 million 18-year-olds in the population last year, 220,000 lacked the basic mental equipment to absorb military training, while a somewhat larger number were disqualified for physical reasons. Not all draft rejectees, by any means, are unemployable; but their unemployment rate is four times the rate for all young men of the same age. Prof. Eli Ginzberg, of Columbia University, an economist specializing in manpower problems, believes that between a third and a half of all young people are not qualified for technical employment.

TO BE SPECIFIC

Despite the preoccupation of the Council of Economic Advisers with the "total de-

mand" approach to unemployment, the Government fortunately is not putting all its eggs in the demand basket. The Departments of Labor and Health, Education, and Welfare—which have been fighting a lively intramural battle with the Council over how best to attack the unemployment problem—are quite well aware of the need for specific as well as general remedies.

Many programs, particularly manpower retraining, are already well advanced. Moreover, administration officials have come up with a variety of suggestions—longer required schooling, earlier mental and physical examinations under the draft law to identify correctable deficiencies, youth training camps—all of which merit discussion. Far less promising is the administration's spread-the-work proposal of "double time for overtime," which fortunately seems headed for the limbo of legislative inaction.

Constructive work could be done in the field of vocational education for the 80 percent of all youth who do not go to college. Traditionally, Federal aid to "vo-ed" programs has been top heavy in its orientation to homemaking and agriculture, and notorious for its neglect of skills required by a complex industrial society. There was a nominal redirection of the program last year, but Labor Department officials still feel that the changes have been more apparent than real—largely because of political devotion to a rurally oriented vo-ed program.

On a broader scale, questions are being asked about the ability of the Nation's educational machinery—for all its great output—to produce the right kinds of talent at the required rate. The Republican minority of the Joint Economic Committee has called attention to the possibility of bottleneck labor shortages—a proposition that also finds significant support on the other side of the political fence. A year ago, President Kennedy sent Congress a detailed survey of the manpower situation, spelling out careful estimates of shortages likely to develop among such key classes of personnel as engineers, elementary and secondary school teachers, electricians, and tool and die-makers. Engineering graduates, for example, were judged likely to fall 239,000 short of the number needed in 1970; for electricians, the study anticipated that apprenticeship programs will cover only 31 percent of projected need; for tool and die-makers, 45 percent.

More recently, Secretary of Labor Wirtz, briefing the press on President Johnson's 1964 Manpower Report, laid heavy stress on the creation of a new Committee on Manpower, which will focus especially on solving the problems of shortage in a variety of high-skill areas. A typical question, the Secretary suggested, would be whether the Federal Government, with the vast proliferation of its research and development effort, has not already stripped the campuses to a point where future technical training may be endangered. The Nation's manpower problems, in other words, are not all in the direction of finding or making jobs. Finding or training people for vacant places is also a need.

Employment-unemployment, as all this testifies, is an economic and social concern of immense complexity. Besides emphasizing the need for a many-handed approach to the matter of reducing unemployment, the tangled nature of the problem makes clear that trying to bulldoze it down to some predetermined size with sheer force of increased demand might require a push so massive that inflation would be sure to rise in its wake.

(Mr. HALPERN (at the request of Mr. BATTIN) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. HALPERN'S remarks will appear hereafter in the Appendix.]

LAKE ERIE BATTLE SESQUICENTEN- NIAL

(Mr. TAFT (at the request of Mr. BATTIN) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. TAFT. Mr. Speaker, on Monday, April 6, I was absent from the House. Therefore, I was not recorded on rollcall No. 91, S. 1828, Lake Erie Battle Sesquicentennial. Had I been present I would have voted "yea." Because a pair was not available on this legislation, I wanted the RECORD to show that I did support the measure.

GOP POVERTY ATTACK: FOCUS ON GRASSROOTS

(Mr. DON H. CLAUSEN (at the request of Mr. BATTIN) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

NEWSLETTER INTERVIEW WITH REPRESENTATIVE
FRELINGHUYSEN—GOP POVERTY ATTACK:
FOCUS ON GRASSROOTS

(NOTE.—Representative PETER FRELINGHUYSEN, Republican, of New Jersey, is ranking GOP member of the House Education and Labor Committee which is considering the President's antipoverty bill. In the following newsletter interview, FRELINGHUYSEN discusses Republican antipoverty proposals and the administration's bill before his committee.)

Some press stories have suggested that Republicans oppose Federal antipoverty programs. Is this true?

Of course not. Both the Manpower Development and Training Act and the vocational education legislation are basically Republican programs. Long before President Johnson announced his antipoverty program, Republican members of the Joint Economic Committee advanced many specific proposals to combat technological unemployment which is a basic cause of poverty. The broad Republican approach to the poverty problem is twofold: Promote the general economy by strengthening confidence, then focus your effort on areas where the problems are most stubborn. Basically, you provide motivation to the underprivileged to improve themselves, then you give them the skills they need to do so.

What are some specific Republican proposals? Republican members of the Joint Economic Committee proposed acceleration and extension of vocational and apprenticeship training programs under the Manpower Development and Training Act; maximum coordination between vocational programs of the Department of Health, Education, and Welfare, the apprenticeship program of the Department of Labor, and the vocational training programs of the military services; Government encouragement of long-term private loans to students; tax incentives for persons who finance their own training for a better job, and for those who face college expenses, and tax incentives and subsistence or transportation allowances for persons who must look for work in areas far from their homes.

They recommended a review of military service law to iron out obstacles to the smooth transition of young men from school

to civilian employment and establishment of a national clearinghouse of job vacancies for the use of the U.S. Employment Service, employers, and private employment agencies. The clearinghouse would identify and classify emerging skill requirements and skills becoming obsolete. These proposals are only a few that Republicans set forth in the Joint Committee report.

Do you think Republicans will support some parts of the Johnson antipoverty program?

I sincerely hope so. The first job will be to scrutinize the program closely. For example, in House Education and Labor Committee hearings last week, Republicans pointed out there is no specific language in the bill preventing Federal aid to religious, recreational, or welfare programs, a plain violation of the first amendment to the Constitution.

Are there other parts of the program that should be improved?

Yes. The community action program provides elementary and high school aid without standards of guidelines of any kind. Similar proposals have been rejected time and again by Congress as leading to Federal control of education. This is plainly an attempt to sneak school aid through the backdoor of a poverty program. Many in Congress will object to the fact that this program would superimpose a completely integrated system of Federal education and training wholly removed from control of the States. The bill fails to provide the usual incentives for local community cooperation; i.e., matching of Federal funds. Instead, the Federal Government would pay 90 percent of program costs. This will not only discourage local participation, but greatly increase Federal costs, and so limit the amount of good the program could do.

Are any problems presented by the fact that the entire poverty package has been submitted to one congressional committee?

The bill submitted to the House Education and Labor Committee proposes programs over which that committee usually has no jurisdiction. This may well complicate development of sound legislation. For example, how can this committee write farm legislation, legislation to help small business, and legislation having to do with taxes and the Social Security Act? The bill should be split immediately and proposals submitted to the appropriate committees.

TO PROTECT STATE WATER RIGHTS FROM FEDERAL ENCROACHMENT

(Mr. DON H. CLAUSEN (at the request of Mr. BATTIN) was granted permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, recently an editorial written and carried by the Santa Rosa Press Democrat explains the objectives and purposes of my bill to protect the water rights of individuals, irrigation districts, communities, counties, and States. I have joined my colleague, Senator KUCHEL, in putting this legislation before the Congress for consideration and, I hope, early action.

I insert this editorial in the RECORD to bring it to the attention of my fellow House Members urging them to join me in enacting this vital protection to our State and local water rights.

CLAUSEN BILL

For some reason, too many people seem to have the idea that the only power on earth which can reverse a decision of the Supreme Court of the United States is the Supreme Court itself.

While it isn't exactly easy—and indeed should not be—the decisions of the High Court are completely subject to reversal by popular action.

In fields involving interpretation of the Constitution of the United States, it would involve the cumbersome process of amending the Constitution to reverse an opinion with which most Americans did not agree, but it could be done.

In the field of interpretation of legislative intent, or of nonconstitutional law, the representatives of the people in Congress have full power to reverse a Supreme Court opinion by simply enacting legislation.

And that's what Congressman DON CLAUSEN and Senator TOM KUCHEL are attempting to do in bills introduced to protect State water rights from Federal encroachment.

In two opinions, the Supreme Court has ruled that Uncle Sam has the right to withdraw water from Federal lands, even if it had never previously claimed such rights, and even if the water has already been claimed under State law by downstream users.

The Senate and House bills introduced by Mr. KUCHEL and Mr. CLAUSEN guarantee existing water rights of individuals, irrigation districts, and local and State governments.

Mr. CLAUSEN's statement when he introduced a House version of the Kuchel bill in the Senate pretty well summed it up:

"There is considerable doubt whether California has enough water for its own ultimate development. To permit the Federal Government to retain these Court-granted rights is asking for trouble. For many years it has been assumed that water rights belonged to the States. To permit this Court-made law to stand would put the future economic development of many States into the hands of bureaucracy and politics."

FOOD STAMP PLAN

(Mr. DON H. CLAUSEN (at the request of Mr. BATTIN) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, in listening to the debate on the food stamp plan, I believe the statement of Congresswoman CATHERINE MAY has made one of the clearest statements on the subject and I want to associate myself with her remarks.

STATEMENT OF CATHERINE MAY, OF WASHINGTON, ON H.R. 10222, FOOD STAMP PLAN, APRIL 7, 1964

Mr. Chairman, may I begin by explaining that my stand on this legislation is that I am opposed to the expansion of the food stamp plan at this time. I think it would be fair to say that I come here today not so much to oppose the food stamp plan per se but to express the voice of caution before we take too many irrevocable steps in embarking on such a far-reaching and costly program on which there are still so many unanswered questions.

I was one of those who served on the special subcommittee to study the food stamp plan and we had some very informative sessions with representatives of the USDA on its mechanics. I also visited Uniontown, Pa., in company with my colleagues on this subcommittee and saw one of the better pilot projects in action. From this experience I have reached certain conclusions that I should like to make a basis of my further remarks in opposition to the bill passing at this time.

1. If you left all other factors out of your consideration and compared the present distribution of surplus food program with the actual mechanics of the food stamp plan I would find the food stamp approach preferable. In the one pilot project I saw

I approved of the methods that were being used to certify qualified recipients of food stamps. I felt that in Uniontown they were doing a good job of policing the program. The banks that were handling the selling of the food stamps were making a good profit and the stores that were participating in the program were doing a fine job of merchandising.

By way of explanation of the profit one banking firm is making, a spokesman for the Galetton National Bank and its several subsidiary banks throughout Fayette County told us that they had collected \$30,000 in gross receipts for handling food stamp coupons. The bank's actual profit was the amount left after their expenses, which we were told included hiring an extra employee and purchasing a machine for canceling the stamps. We were told the banks charge 35 cents per transaction, which was paid for by the State of Pennsylvania.

(a) Parenthetically, however, I would like to say here that a great many retail groceries have expressed their support of this food stamp plan on the basis that they feel it would circulate many more food dollars through all their stores. Frankly, I think this may be a highly optimistic pre conclusion. From my study of how it is working in the Uniontown area, it seems quite apparent that as this program shakes down there will be certain grocery stores in strategic areas who will find it to their advantage to key the bulk of their grocery business to the patronage of food stamp customers and this will leave the majority of groceries in the position of receiving only a token income from the food stamp source.

2. I approve of this program's goal to try and help out low-income families to put more of their dollars into food that provides an adequate and balanced diet. Of course, we have been trying to do this with our families on welfare for many years and have not been successful.

3. I cannot agree that this program when implemented to its full potential will not require more employees for both State and Federal level to carry on increased activity in policing it, educating the retailers and giving good screening to the applicants.

4. I also feel that this program should require some State participation. I am not prepared to say at just what level this State participation should be and I do not think that any of us can come up with a sound conclusion on this point with the evidence we have so far available from the pilot projects that have been carried on in the past 2 years. As to cost, here again we have absolutely no firm figures to go on or to use when we try to sell this program to the taxpayers of America.

If you want to take the full potential of a nationwide food stamp program and base it on the needs of these people, here is what you get—one-sixth of the Nation's population of 195 million people comes out to 32 million people. Using figures from both the distribution and the food stamp plans we must assume an average help per person in either program of \$5 a month in food value. In other words, \$5 worth of food paid for by the taxpayers and given to needy people. If you gave \$5 worth of food a month to 32 million people you would spend \$160 million a month or \$1.9 billion a year. If you tried to give them \$10 worth of food a month that would cost you \$3.8 billion a year. That is the present potential of a nationwide program of bringing help to every person who is in need of food. Now, let's look at what we will spend on the pilot project right now. We have 43 projects in action at an estimated cost of \$1 million a project. Testimony shows that there are 240 more areas that have applied to come under the food stamp plan. In other words, if this bill passes, the Government would immediately be asked to provide for projects on hand that would cost

you \$283 million a year. This bill calls for an appropriation of only \$75 million for the first year. It seems to me that the Secretary of Agriculture is going to have quite a problem as well as quite a political headache trying to determine which areas shall receive the benefits of the food stamp plan and which areas shall not.

These are general conclusions. Now I would like to talk to you about a specific project in my own State. I have before me a report made to me by the director of the food stamp pilot project in Grays Harbor County in the State of Washington, Mr. L. L. Hegland (may I submit the opinion that is expressed in this report is a bipartisan one. Mr. Hegland is the direct appointee of our Governor Rosellini who is a Democrat). This is a pilot project in a distress area which was started last summer. I have been watching it with great interest as part of my study of this whole proposed plan. Previous to this there was a pilot project in the neighboring State of Oregon in the city of Portland that was far from an unqualified success. There is a pending pilot project in my own hometown of Yakima in my district which has been delayed I assume because of the experience they have had in Grays Harbor. Let me present to you in his own words the testimony of the man who has had the direct responsibility at the State level for this food stamp plan in Grays Harbor.

Mr. Hegland provided me with a report comparing the direct food distribution and food stamp distribution programs in the State of Washington. He also provided a food stamp questionnaire summary which was conducted in Grays Harbor County in which they mailed to all nonrecipients who had used the direct food distribution program a questionnaire. This report shows that over half of the people who no longer participate are unable to do so because of the limitation of their cash funds. Bear in mind that these are people who are not on assistance.

Mr. Hegland concludes, "On the basis of the survey and the fact that approximately only one-third of the eligible people in Grays Harbor County are using the stamp program, we have some real question about the expansion of this program." Mr. Hegland goes on to say; "Basically, the surplus commodity distribution program was designed to do two things—use up surplus foods and supply a more adequate diet to persons of low income. It appears that the food stamp program accomplishes only a part of this, and the direct food distribution program does a much more adequate job both on using up surplus commodities and of being available to a larger number of low-income people."

I support further pilot projects of the food stamp plan in the interest of getting more meaningful data on its efficiency to reach the goals we desire and, very importantly, as to what its overall costs will be. Since there is quite obviously a potential of annual expenditures of billions of dollars in a nationwide welfare program of this sort, I think it is imperative that we make haste slowly since I am sure that we all agree that once a program of this particular nature is launched and agreed to by the Federal Government, the dictates of political realities are that it will be very difficult, if not impossible, to stop or suspend.

EXTENSION OF REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MURPHY] may be permitted to include extraneous matter in his remarks on General MacArthur and that these remarks be included in the RECORD of yesterday under a previous general leave permission.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMERICAN DILEMMA: FROM LAOS TO SOUTH VIETNAM

(Mr. FLOOD (at the request of Mr. ALBERT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FLOOD. Mr. Speaker, in the course of my career in the Congress as a Representative from Pennsylvania, I have had exceptional opportunities to observe and study the operations of the world revolutionary movement known as the international communistic conspiracy. This experience has been incident to official assignments as a member of the House Committee on Foreign Affairs, the Subcommittee on Defense of the Committee on Appropriations, and of the special committee to investigate the massacre of some 15,000 Polish officers at Katyn by the international political organization known as the Union of Soviet Socialist Republics. In addition, I have made extensive studies of the problems of the Caribbean, including those of the Panama Canal and interoceanic canals generally.

The enormous territorial conquests since World War II by the forces of communistic revolution, conducted with consummate skill and impelling violence, have been directed toward objectives of high strategic importance. These include the Chinese mainland with its teeming millions, major portions of the Malay barrier controlling vital sea routes between the Pacific and Indian Oceans, countries dominating the Suez Canal and its approaches, Cuba on the northern flank of the Atlantic approaches of the Panama Canal and British Guiana and Venezuela on its southern flank.

Preceded by systematic infiltration and subversion, these conquests have been made through the scientific application of the age-old principle of paralysis of victim states and peoples in lieu of the far more costly and hazardous means of open warfare. Conducted in the form of vast flanking movements, the Red takeovers have been of magnitude that places the revolutionary planners among the most audacious and successful strategists of history. Their operations have included the extension of their own domains by absorbing the satellite nations, and then with the "stop thief" cry of colonialism, have led the movement for liquidation of European colonies, aided and abetted by the United States.

What impresses most about the territorial losses sustained by Western nations is that, without exception, the perils were clearly foreseen and understood by experienced observers and timely warnings given all governments, including our own.

Notable among the competent authorities who have spoken out is Maj. Gen. Charles A. Willoughby, who, as chief of intelligence for General MacArthur in the Southwest Pacific and Far East, 1941-51, had an unparalleled opportu-

nity to observe, study, and report upon the activities of Red power. The results of his investigations, which he has painstakingly recorded in official reports and authoritative books, in hearings before congressional committees and in numerous issues of his Foreign Intelligence Digest, form a vast reservoir of digested knowledge that is indispensable for study in connection with the formulation of national policies that are intended to improve conditions as seen and understood. Unless such authoritative writings are studied by responsible planners in our Government and their lessons heeded, our country is destined to repeat the mistakes of the past; and this, despite the fact that the requisite information was, and still is, readily available in recorded form for those who seek it.

The latest contribution by General Willoughby shows a startling parallel between what is now taking place in the jungles of southeast Asia and what occurred in Korea in an article on the "American Dilemma: From Laos to South Vietnam" in the February-March 1964 issue of Christian Crusade of Tulsa, Okla. This repeats a 1961 thesis by him in the Weekly Crusader opposing U.S. involvement in a ground war in southeast Asia and emphasizes the imperative necessity for avoiding policies that will pit the limited and educated youth of the United States against the inexhaustible and expendable, illiterate manpower of distant Asia, armed with Czech or Soviet machineguns or other lethal weapons and practicing all the barbaric atrocities typical of Communist revolutionaries.

In order to make General Willoughby's latest contribution available to the more thoughtful framers of our national policies, in the Congress and the executive branch, and to the Nation at large, I quote the article as part of my remarks:

THE AMERICAN DILEMMA FROM LAOS TO SOUTH VIETNAM

(By Gen. Charles A. Willoughby, retired)

M'NAMARA REPORTS

Overshadowed by the headlines announcing De Gaulle's recognition of Red China, a very recent admission by the Secretary of Defense (who knows the score?) was practically ignored. He appeared before the House Armed Services Committee—which made it very official indeed. As usual, typical journalese threw in a semantic monkey-wrench. The quotes: " * * * the South Vietnam war is going badly despite the overthrow of the Diem regime" and on antiguerrilla fighting " * * * I must report that the Communists have made considerable progress since the coup." There is obviously a lame suggestion that the war has been affected by the coup? A slight change in phraseology will correct this: "The war is going badly as a result of the overthrow of the Diem regime and not despite it." There is no other immediate explanation for the "considerable progress of the enemy"? Then the grim reminder that "the United States must be ready to take all necessary measures."

What measures? Accentuated air power (with which I go along) or accentuated ground troop support (which would be disastrous) in the light of the French experiences, in the same area.

THE VIETNAM ENTANGLEMENT

A mosaic of editorial opinion tells the story. I often disagree with the Capitol brainwashers but in this instance, the grim reality is unmistakable.

"North Vietnam (Communist) holds the key to the struggle. In 1958 Hanoi (Ho Chi Minh) decided to send guerrillas and military supplies across the border. Communist losses in the South can easily be repaired by continuous reinforcements."

The choice before the President is not so much what he will do in South Vietnam but what he will do with North Vietnam. Johnson is faced with ugly decisions; they estimate a showdown by summer: to continue limited commitments and prolong a wasteful stalemate—or strike for victory by sending many more troops to Vietnam (in an election year?).

Deliberately excluded from his list of choices is a withdrawal from Vietnam. American policy may be overtaken by harsh events this summer and the drama of De Gaulle's recalcitrant flirtation with Red China is probably a welcome diversion, a Trumanesque red herring.

As usual, professional military elements are brushed aside. No admission is made that the Vietnam stalemate is an exact replica of the North Korean war, i.e., the free entry into action of Chinese reinforcements from a diplomatic sanctuary. The present sanctuary is Hanoi and sheltered lines of supply through Laos, from North to South. Unless this line of supply (a jugular vein) is cut or the source of supplies, Hanoi (the Red base) punished, the "stalemate" will continue. The continuity of stalemate, at the expense of pitting expensive American con-

scripts against the cheap cannon fodder of southeast Asia, is abhorrent. As a professional soldier, I feel that way, and addressed President Kennedy, who faced the same problem then that Johnson inherited:

A LETTER TO THE PRESIDENT

"OCTOBER 28, 1961.

"His Excellency JOHN F. KENNEDY,
"The President of the United States:

"Operations in the tropical jungle of Vietnam require special qualifications. This special experience accrues only in one theater on a large scale—MacArthur's Southwest Pacific Area.

"The professionals in Washington, D.C., who have that experience are Generals Decker and Eddleman. They fought from New Guinea to the Philippines. Complete data are available in the MacArthur records. I invite attention to the development of the Philippine resistance movement volumes I, II and IV. 'The Intelligence Series S.W.P.A.'

"As regards southeast Asia, I am on record in special articles, beginning with 1954, and extensive testimony before various congressional committees.

"Before committing American troops, the debacle of the French in Indochina should be carefully considered. They had local knowledge acquired in over a century of occupation, which American troops could not possibly match. Here follows a grim reminder of French troops strengths and losses, in that terrain (1954), viz:

1. The French had 561,000 men available, as of 1952. By 1954, their losses were: Killed, 92,000; missing, 28,000; and wounded, 114,000 (excluding provincial armies).

Aggregates	Men available	Wounded	Missing	Killed
2. French contingents.....	251,000			
Metropolitan, etc.....	76,000	46,000	4,000	19,000
Foreign Legion.....	17,000	10,000	8,000	7,000
North Africans.....	37,000	11,000	2,000	13,000
Senegalese.....	21,000	11,000	4,000	10,000
Native units.....	100,000	37,000	12,000	43,000
3. Provincial armies.....	310,000	(1)	(1)	(1)
Vietnam Army.....	260,000	(1)	(1)	(1)
Cambodian Army.....	28,000	(1)	(1)	(1)
Laotian Army.....	22,000	(1)	(1)	(1)

¹ Data unavailable in detail but losses relatively small compared to contingents, under (2) supra.

"I arrived at certain conclusions in 1954 and again in 1958: The expensive Western draftee cannot be equated with the illiterate, Asiatic cannon-fodder, armed with Czech or Soviet machineguns. The use of American ground troops is 'attrition-suicide'."

"This dangerous imbalance in manpower requires a new strategic policy: the calculated employment of nuclear mass-destruction weapons to offset the inexhaustible manpower of Asia. The use of these modern weapons (and the air delivery system) imposes no more moral strain than when Truman unleashed the first atomic bomb on Hiroshima—indeed, the provocation was far less."

CHARLES A. WILLOUGHBY,
Major General, U.S.A., Retired.

I invite attention to a previous paragraph. I stated the impasse of an expensive, frustrating stalemate: "the limited commitments which make it impossible to advance with safety, or to retreat with honour." I also gave a constructive solution: "the calculated employment of nuclear mass destruction weapons to offset the inexhaustible manpower of Asia."

CAMERONE: 1863—DIENBIENPHU: 1954

The current deteriorating situation in Indochina (Laos, Cambodia, Vietnam) is immediately traceable to the operations (and collapse) of the French, in the period 1948-1954. In a strict sequence of cause-and-effect, today's problems are unintelligible without an examination of recent history. The title references are linked by events in

the picturesque annals of the French Foreign Legion which fought and died gallantly in these places. Each year, the legion formally commemorated the defense of the "Hacienda de Camerone" April 30, 1863, when a detachment of 62 Legionnaires held the post against 2,000 Mexicans, to the last man. "Faire Camerone" has become a slogan around the campfires of the legion, to denote a fight that was hopeless from the beginning and could have only one ending.

Dienbienphu, an equally desperate incident of the war in Tonkin (1954) cannot fail to become a similar, tragic legend. It should also become a warning against any hasty formula to employ American infantry in that thoroughly treacherous area, to maintain the "prestige of the West" and "hold the line" against communism—famous cliches by assorted draftdodgers and embusques. Our "prestige" was challenged in Cuba and not in Laos and the "line to be held" runs through metropolitan Berlin and not through Vietnam.

The French have a word for it: "Plus ca change, plus ca reste la meme chose." It has all happened before. The Spanish Civil War was the first blueprint for the attempted takeover of prospective Soviet victims; it was a blueprint followed for Greece, Korea, and Indochina—except that the Spaniards won hands down, politically and on the field of battle: there was then no talk of armistice, cease-fire, disarmament, or appeasement; it was a showdown—and communism has never raised its treacherous head below the Pyrenees. The Russians learned something

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Apr. 9, 1964
For actions of Apr. 8, 1964
88th-2nd; No. 66

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HIGHLIGHTS: House agreed to amended cotton-wheat bill. House passed food-stamp bill. Senate concurred in House amendment to pesticide labeling bill with amendment.

HOUSE

1. COTTON; WHEAT. By a 211-203 vote, concurred in the Senate amendment to H. R. 6196, the cotton-wheat bill. This bill will now be sent to the President. For provisions of the bill see Digests 32 and 41. pp. 7083-4, 7089-109, 7113-6
2. FOOD STAMP PLAN. Passed, 229-189, with amendments H. R. 10222, the food stamp bill. pp. 7058-82, 7084-9.

Agreed to the following amendments:

- By Rep. Jones, Mo., to remove the prohibition against distribution of surplus commodities in areas where the food stamp plan is in effect. pp. 7071-2
- By Rep. Hutchinson, to limit delegation of responsibility of stamp issuance by State agencies to conformance with State law in lieu of approval by the Secretary of Agriculture. p. 7075

By Rep. Cooley, to make a technical correction. p. 7076
Various committee amendments.

Rejected the following amendments:

Committee amendments (which had been sponsored by Rep. Quie) to require participating States to pay to the Federal Government 50% of the value of the free food stamps issued to participants within the State, by a 155-168 vote (pp. 7077-83). Later rejected, 195-223, a motion by Rep. Hoeven to recommit the bill with instructions to reinstate this amendment (p. 7088).

By Rep. Andrews, N. Dak., transferring the food stamp program to HEW, by a 93-142 vote. pp. 7063-9

By Rep. Hoeven, to limit the use of food stamps to food items produced by American farmers and declared surplus, by an 85-121 vote. pp. 7069-70

By Rep. Hoeven, to end the food stamp program on June 30, 1967, by an 82-113 vote. pp. 7072-3

By Rep. Leggett, to require apportionment of the funds to all States on the basis of population. pp. 7075-6

3. AGRICULTURAL CONSERVATION PROGRAM. Both Houses received from this Department a proposed bill to amend Sec. 8 (e) of the Soil Conservation and Domestic Allotment Act so as to substitute language for the "small cost-share increase" provision which would direct the Secretary to give particular consideration to the conservation requirements of small family farms in the approval of ACP cost-sharing assistance for application of needed conservation measures. To House Agriculture Committee and Senate Agriculture and Forestry Committee. pp. 7122, 7050
4. RECLAMATION. Both Houses received from the Interior Department a report on the Tualatin project, Oreg. (H. Doc. 295); to Interior and Insular Affairs Committees. pp. 7122, 7050
5. LEGISLATIVE PROGRAM. It is expected that the House will debate the legislative appropriation bill today. p. D264

SENATE

6. PESTICIDES. Concurred in the House amendment, with an amendment, to S. 1605, to provide for labeling of economic poisons with registration numbers to eliminate registration under protest. The adopted Senate amendment, proposed by Sen. Ribicoff, provides that when an application to register a pesticide is submitted, all information in support of the application would be kept secret except data on health and safety of the product which would be made available to the public. pp. 6967-9
7. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill (pp. 6970, 6978-7005, 7006-7, 7009-10, 7019-50). Several Senators discussed the migration of farmers to cities, and Sen. Clark inserted a chart estimating the lifetime earnings of farmers and farm laborers based on their educational background (pp. 6998-9). Sen. Case charged that a great part of the N. J. textile industry had left that State for N. C., and Sen. Ervin denied this. (p. 7031).
8. INTERIOR APPROPRIATION BILL. Sen. Hayden submitted amendments which he intends to propose to this bill, H. R. 10433. p. 7052
9. WATER. The "Daily Digest" states that the Special Subcommittee on Western Water Development of the Public Works Committee "adopted a program for starting work

After a brief stop in Hanford, Wash., for ceremonies dedicating a nuclear power reactor, the President flew on to Utah. Salt Lake City that night was the climax of the trip. I could only remember one other occasion like it, that moment during the campaign when John F. Kennedy came to Houston, Tex., in an effort to convince Protestant ministers that a President could be true to his Catholic faith and to the Constitution of the United States. We had heard in Washington that J.F.K. was not very popular in Salt Lake City, that the area was a bastion of John Birch Society strength. Yet the trip from the airport to the center of the city made us realize that what we had heard in Washington did not square with what we could see in Salt Lake City. The crowds along the route were large, they were enthusiastic, and when he arrived at the Hotel Utah, he was mobbed.

In the Mormon Tabernacle that night John F. Kennedy found his vindication. He had once told an aid who was very close to him personally that if he had to lose the 1964 election because of his stand on the test ban treaty, then he was willing to pay the price. But from the moment he entered the tabernacle, he must have known that particular sacrifice would never have to be made. The reception was incredible. The audience applauded him for at least 5 minutes as he entered, interrupted him many times during his speech, and gave him a prolonged, standing ovation when he had finished. The speech was a plea for acceptance of a complicated world where oversimplification and withdrawal had no place, nor any virtue. Just as he had stood in the center of Europe 3 months before, urging Europeans not to withdraw unto themselves, he now stood in his own land and asked the same of his countrymen.

THE BEST JOB IN THE WORLD

In Tacoma, Wash., the following morning, he was in a marvelous mood and after hearing a description of the wonders of Mount Rainier, he told the crowd in the stadium to go and see "the Blue Hills of Boston, stretching 300 feet straight up, covered with snow in winter; then you'd know what nature could really do." He continued the theme that he had been developing since Billings, that the problems we faced—unemployment, school dropouts, and economic

growth—were complex, but they would have to be met and solved if we were to be able to maintain our commitments around the world. As he left Tacoma, he was further cheered by news from the State chairman that his stand on the test ban treaty would help him greatly in a State where many women voters were concerned about fallout.

The President was due to spend Friday night in the superintendent's cabin at Lassen Volcanic National Park in northern California, an arrangement which prompted among the press corps many variations on the theme that it was still possible in America for a President to be born rich and grow up to live in a log cabin. On the flight from Tacoma to Redding that afternoon, Jerry Bruno, still sweating and nervous in the finest tradition of all advance men, stopped to chat with Mrs. Evelyn Lincoln, the President's secretary. He asked her if the President had been pleased with his reception in Salt Lake City. She told Bruno she had never seen him happier. Perhaps it was this satisfaction which prompted him to allow photographers to be brought up from Redding to take pictures of him feeding bread to a tame deer, the kind of corny set-up shot which he had always avoided in the past. He was happy and relaxed that night and told Dave Powers and Kenny O'Donnell that the park superintendent had the best job in the world.

Saturday was the final day for speeches. The first was at the Whiskeytown Dam and Reservoir, where for the first time in public he seemed to accept the idea of a 35-hour workweek, and he asked whether or not there would be green grass for people to see when finally they could spend more and more time away from their jobs. In the convention hall in Las Vegas, a few hours later, in his last speech of the tour, he wove together all the themes he had been developing over the past 4 days—peace, conservation, education, and the necessity to find jobs for a population which would total 350 million by the end of this century. Here, as in Billings, Great Falls, Salt Lake City, and Tacoma, the crowd was his, and you knew this was no longer a tour, it was a campaign. If John F. Kennedy ever had any doubts about his reelection—and I think he had none—they were dispelled by this trip.

The President relaxed Saturday afternoon and all day Sunday at Bing Crosby's home in

Palm Springs, watching football on television, taking an occasional swim in the pool, and discussing with Powers and O'Donnell how well the trip had gone. He returned to Washington, Monday, September 30. Shortly after he walked into his office, he called Evelyn Lincoln in to dictate this letter to Jerry Bruno:

"DEAR JERRY: The Western trip represented an outstanding job of organization and planning. Please accept my warmest thanks.

"With every good wish,

"Sincerely,

"JOHN F. KENNEDY."

Bruno has the letter in his desk at the Democratic National Committee in Washington. He had worked for John F. Kennedy since 1959, but this was the first letter he had ever received from him. It was also the last.

RECESS TO 10 A.M. TOMORROW

Mr. MORTON. Madam President, I am about to suggest the absence of a quorum.

Mr. PELL. Madam President, I ask the Senator to withhold that request so that I may move that the Senate stand in recess, in accordance with the previous order, until 10 o'clock tomorrow morning.

Mr. MORTON. Because of the charming lady who is in the chair, I agree.

The motion was agreed to; and (at 9 o'clock and 26 minutes p.m.), under the previous order, the Senate recessed until tomorrow, Thursday, April 9, 1964, at 10 a.m.

NOMINATION

Executive nomination received by the Senate, April 8 (legislative day of March 30), 1964.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be lieutenant (junior grade)

George M. Cole, Jr.

House of Representatives

WEDNESDAY, APRIL 8, 1964

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Matthew 5: 16: *Let your light so shine before men that they may see your good works and glorify your Father who is in heaven.*

Eternal God, our Father, who hast revealed Thyself in the heart and history of mankind, incline us to be more sensitive and responsive to Thy presence and power in these days of crisis and confusion.

We rejoice that we are never absent from Thy thought and love. Thou art always near us when our life becomes a thing of conflict and struggle, of strain and stress, of difficulty and danger.

May we humbly recognize how luminous and lovely our human life could be if we would only give Thee the right-of-way and the place of preeminence at all times.

Inspire us daily with a triumphant and all-transfiguring faith that the time is coming when there shall be a nobler type of humanity and when our vision of righteousness and peace shall be the supreme reality.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

THE LATE REVEREND BRUCE KLUNDER

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ULLMAN. Mr. Speaker, on Tuesday a fine young man died for a cause. It was a cause he felt it his Christian duty to support—not just by words, but by action. I am sure he did not expect to die, nor did any of the others who were present at the tragic scene intend that he should, but it happened. He died in a heroic gesture of defiance against what had become to him and others a symbol of injustice and inequality.

Rev. Bruce Klunder died in his adopted home of Cleveland, Ohio, but it could have happened anywhere. In his family home of Baker, Oreg., his bereaved parents are, I am sure, searching their hearts for answers to many questions. To my good friends Everett and Marie Klunder, Bruce's death looms as a crushing personal loss. To the young minister's wife, Joanne and children, it means a long agony of sorrow. We who know these fine people feel a deep sadness.

The courage that has been shown by Mrs. Joanne Klunder matches that

shown on Tuesday by her husband. She has appealed, not for revenge, but for that understanding and tolerance that her husband sought for others. Reverend Klunder was not a fanatic, he was a highly educated, intelligent and rational young man whose brief career as a Presbyterian minister and adviser to young people held the promise of great service to God and country. Can anyone say that he did not render a far greater service to those things he loved the most?

To the family of this brave man we can only offer our sympathy, but to his memory we can rededicate ourselves to the promise of freedom, justice and equality of opportunity for which he worked, fought and died.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 95]

Ashbrook	Fulton, Pa.	Lipscomb
Brock	Glenn	Matsunaga
Bromwell	Gray	O'Brien, Ill.
Buckley	Griffin	Powell
Burleson	Griffiths	Rivers, Alaska
Burton, Utah	Hawkins	Rogers, Tex.
Cameron	Hébert	Roybal
Davis, Tenn.	Jones, Ala.	Taylor
Dowdy	Kee	Teague, Tex.
Finnegan	Lennon	Thompson, N.J.

The SPEAKER. On this rollcall, 403 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF ROLLCALL

Mr. ADAIR. Mr. Speaker, on rollcall No. 82, on March 24 of this year, at page 5906, I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FOOD STAMP ACT OF 1964

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further con-

sideration of the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself in the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 10222, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 1, ending on line 4, page 1, of the bill. If there are no amendments to this section, the Clerk will read.

The Clerk read as follows:

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, the local governmental units to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households in economic need to receive a greater share of the Nation's food abundance, is herein authorized.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as having been read and open in all places for amendment.

Mr. HOEVEN. Mr. Chairman, I object.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think that we should give recognition right at this point to what is declared to be the policy of Congress, because as we go through this bill I think we will find some things that are contrary to the expressed policy that we enunciate here. We speak about the abundance of food, we speak about trying to use that abundance of food, and we also speak about using it cooperatively among the States, the Federal Government, and the local governmental units to the maximum extent. We also, down in line 9, on page 1, speak again of our agricultural abundances and we

speak about strengthening our agricultural economy. I have been interested in the debate on this bill in committee and on the floor. I still have apprehensions concerning some of the things we are attempting to do here. When we get to the proper point in the bill I expect to offer an amendment which I think will have the effect of utilizing the abundances that we have. Unless we do make some amendments to this bill along that line we are going to actually reduce the use of the commodities that we have in surplus.

Unless we insure that those commodities that we have in great abundance are used we are actually going to decrease the distribution of wheat products, corn products and dairy products and encourage the use of commodities that are not in surplus.

Mr. Chairman, I want to call your attention to the language on page 2, line 11 through line 15. Bear this in mind as we debate the rest of this bill and as these amendments are offered. The language reads:

To effectuate the policy of Congress and the purposes of this act, a food stamp program, which will permit those households in economic need to receive a greater share of the Nation's food abundance, is herein authorized.

The way this bill is written it will not insure greater use of the abundance that we have. We have a problem in this Nation, our ability to overproduce. I have no desire to curtail the use of these products by needy people who should have all of the oversupply that we have, but I want those products to be used first and then we can talk about getting into these other items which are not in such great abundance and which do not constitute a problem. I think we should concentrate, if we can, our efforts on getting rid of the surpluses that we have which would also reduce the cost of this program.

Mr. Chairman, at the proper time I shall offer an amendment to the language on page 4, lines 21 through 25, to strike out that language because it actually constitutes a prohibition against the use of our abundance. I think that language should be taken out and the matter should be left to the discretion of the Secretary.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I want to ask someone on the committee the meaning of the language which appears on lines 23 and 24, page 2 of the bill. The sentence begins on line 23 and reads as follows:

And those foods which are identified on the package as being imported from foreign sources when they arrive at the retail store.

What is the meaning of the additional language "when they arrive at the retail store"? Apparently this is a committee amendment, designed to deal with imported foods.

Mr. COOLEY. If the gentleman will yield, I think it means exactly what it says. If it is identified on the package as

having been imported, it is not available under the program.

Mr. GROSS. If it is not identified on the package, can foreign food be distributed under this program?

Mr. COOLEY. Yes.

Mr. GROSS. If it is not identified on the package?

Mr. COOLEY. Exactly.

Mr. GROSS. It is that simple? In other words, this Government can import all the beef it wants to from Australia or New Zealand, or it can import kangaroo meat and the participants under this program can eat it, if there is no label on it?

Mr. COOLEY. The program is safeguarded by a provision on page 5 which places the responsibility on each State to establish standards and to determine the eligibility of applicants. The program will be administered by people back in the several States at the local level. I know that they will not encourage the use of kangaroo meat.

Mr. GROSS. I did not say they would encourage the use of kangaroo meat. I am talking about the poverty stricken of this country being fed kangaroo meat without knowing what they are getting.

Mr. COOLEY. If the kangaroo meat is not marked, they can buy it, and if it is not identified as having been imported in the areas at the local retail level.

Mr. GROSS. And it can be fed to the people under this program?

Mr. COOLEY. That is right.

Mr. GROSS. That is just lovely.

Let me ask the gentleman another question concerning this bill.

On page 21 of the report I notice a nondiscrimination provision. If a State is held to be in violation of civil rights, can funds which are appropriated for the purpose of carrying out this act be withheld from such State?

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROSENTHAL. I would be happy to try and answer the gentleman's question.

Under the provisions of this act there would not be any prohibition, but there is other legislation now pending in the Congress which might very well take care of the situation to which the gentleman is referring. However, in this bill itself there is a provision that there shall be no discrimination against any individual applicant or families that apply for the benefits of the bill.

Mr. GROSS. By reason of race, creed, color, or national origin?

Mr. ROSENTHAL. If the gentleman will yield further, yes, that is quite correct.

Mr. GROSS. So without any additional legislation, States in which there are alleged violations, by reason of race, creed, color, or national origin, the provisions of this bill; the benefits of this bill could be withheld, if there are any, from that State; is that right?

Mr. ROSENTHAL. If there is actually discrimination, that is quite correct.

Mr. GROSS. So that there is an anti-discrimination provision contained in this bill?

Mr. ROSENTHAL. There is a provision in this bill that prevents families, by reason of race, creed, color, or national origin, from being discriminated against.

Mr. GROSS. And the funds for the implementation of the provisions of this bill can be withheld from a State or from a community on the basis of a violation of civil rights; that is correct?

Mr. ROSENTHAL. This bill does not provide that as such in that language.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. LATTA. On page 10 of the bill, line 3, there is this language:

In the certification of applicant households for the food stamp program there shall be no discrimination against any household by reason of race, religious creed, national origin, or political beliefs.

I want to stress the words "political beliefs," because under the pilot program, as was pointed out yesterday and as acknowledged on the other side of the aisle, only 8 Republican districts of the 43 districts receiving this aid now are Republican districts.

Certainly, there has been some political discrimination shown in the operation of this pilot program.

I know that entire areas or entire States have not been considered.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LATTA. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. So, there is also a political discrimination provision in the bill; is that correct?

Mr. LATTA. Yes, but I do not think it goes far enough. The provision that I just read in my opinion pertains to households, but you have got to be located in an area that is receiving the benefits of this program before you are an eligible household. Therefore, they can discriminate against whole States or against whole areas in the administration of this program. This will not help the household at all if it happens to be located in a Republican congressional district.

Mr. GROSS. For the benefit of those who believe in States rights, there is no question whatever, is there, that a community or a State can be penalized if there is a violation of the provisions against discrimination by reason of race, creed, color or national origin? There is, I will say to the gentleman, this provision in the bill, and there is no question about that, is there?

Mr. LATTA. That is correct.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Do I understand the gentleman is objecting to the language on page 10, lines 3 to 6 inclusive?

Mr. GROSS. I pose as no expert on this bill. I am trying to find out what is in it. I am trying to find out whether we have another civil rights bill.

Mr. COOLEY. I would compliment the gentleman. He always knows what is in every bill that comes up.

Mr. GROSS. I am just trying to find out. Let me now ask the chairman, is there a civil rights provision in this bill?

Mr. COOLEY. No. There is a provision against discrimination.

Mr. GROSS. That is, a civil rights or civil wrongs amendment.

Mr. COOLEY. It is to the effect there is to be absolutely no discrimination.

Mr. GROSS. And the gentleman supports this?

Mr. COOLEY. Yes.

Mr. GROSS. The gentleman from North Carolina supported the civil rights bill?

Mr. COOLEY. The gentleman may look at my record on that. I am not going to discuss that here now.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. HOEVEN. I call the gentleman's attention to the fact, if he will refer to pages 21 and 22 of the committee report which expresses the minority views, he will find the following:

It should be noted also that H.R. 10222 has deleted a number of the antidiscrimination provisions which were included in the original recommendation submitted by the late President Kennedy. Prior to the passage of the civil rights bill, an amendment to restore these provisions was pending in the committee. However, title VI of the House-passed bill contains the following provisions:

I am referring to the civil rights bill. I do not think there is any question but what H.R. 10222, if it becomes law, the provisions of title VI of the civil rights bill will be enforced under the food stamp plan.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since this subject has been brought up, it seems to me that reference should be made to the committee report where the policy of the committee is definitely set forth.

On page 13, under discussion relating to section 4, there is the following:

This section contains the general authority and the directive to the Secretary of Agriculture to establish the food stamp program in any area where such a program is requested by the appropriate State agency and which qualifies under the provisions of the law and the regulations issued by the Secretary.

Here is what the committee says in the committee report:

The committee construes this authority to the Secretary to be mandatory. If the request for a food stamp program in any area is made by an appropriate State agency, if the State and the area meet the criteria established in section 10 of the act and in regulations properly issued by the Secretary pursuant to the act, the Secretary would be required to establish a food stamp program in such areas.

Mr. Chairman, any other construction of this matter is done not with the purpose of clarifying this bill but of throwing up a smokescreen designed to point up something that really does not exist.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I think we ought to make a record here of legislative history so we may know where we stand if this bill passes. As the gentleman from Iowa [Mr. Gross], has clearly pointed out, title VI of the Civil Rights Act in my judgment and the judgment of the gentleman from New York [Mr. ROSENTHAL], who just answered the gentleman from Iowa, would prohibit certain States from receiving the benefits of this program. Does not the gentleman agree that if there is discrimination in a State, and segregation is interpreted as discrimination, that said State could be denied the benefit of this program?

Mr. ALBERT. I would say to the gentleman that in my judgment this legislation is pertinent specifically with reference to this program.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from New York.

Mr. ROSENTHAL. The point is that title VI would apply only, if it applied at all, if there were discrimination in the administration of this program. The testimony before the committee was that there had been not even one example of discrimination in this program. This bill provides that in the application to households there shall be no discrimination. So it seems to me that the bill in the other body would have no practical effect on this matter, because the prohibition is contained in this bill itself.

Mr. ABERNETHY. Are we now assured, as far as assurance can be given here, that title VI of the civil rights bill does not relate in any shape, manner, or form and will not in the future relate to the administration of this act?

Mr. ALBERT. The gentleman knows I cannot give any such assurance, but so far as this bill is concerned, the committee has control of this bill. I think the language is clear. I am sure that the Secretary is required to establish a food stamp program if proper application is made.

Mr. ABERNETHY. But he is also authorized under title VI of the civil rights bill to withhold every dime from a State where segregation is practiced.

Mr. ALBERT. I am here to discuss the food stamp bill at this time.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from North Carolina.

Mr. COOLEY. It is clear this language is put in there for a purpose.

Mr. ABERNETHY. I know the purpose.

Mr. COOLEY. As the majority leader has pointed out, I do not see how the civil rights bill can possibly affect this language in the law.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. ANDREWS of Alabama. I should like to ask the chairman of the committee in line with what the gentleman from Mississippi is talking about, title VI of the civil rights bill, the gentleman well knows that throughout the years the Hill-Burton hospital bill has had provisions similar to the one this committee has in this report. Recently the Supreme Court held that regardless of that language the Hill-Burton hospitals had to be integrated.

Mr. COOLEY. The gentleman has brought up something else. This program is integrated, with all races, colors, and creeds.

Mr. ANDREWS of Alabama. Title VI of the civil rights bill if it becomes law prohibits any Federal money going into a State for any reason, hospitals or whatever, if segregation is practiced.

Mr. ALBERT. Mr. Chairman, I decline to yield further.

Obviously the provisions of this bill for this program make it mandatory that when a proper application is made for a food stamp program the Secretary of Agriculture shall establish that program.

Mr. BELCHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, far be it from me to get into a Democrat argument when it was going so good on the other side with the four of them engaging in it. I would have to call to the attention of my good friend, the gentleman from Oklahoma, that if this does say it is mandatory, it will require \$2½ billion to implement this program in the United States if everybody applies for it. If the Secretary does not have the money to implement all these programs, then the Secretary certainly can have some discretion as to which one of these applications will be acted on. I might also call attention to the fact that the Record does not show that in the State of Mississippi there has ever been a pilot program of this kind.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. COOLEY. The gentleman from Oklahoma [Mr. ALBERT] did not read the rest of that paragraph. It says it is mandatory that he shall put the programs in operations if funds are available. We have restricted the funds.

Mr. BELCHER. If funds are not available, which program is going to be put into operation?

Mr. COOLEY. He uses his own discretion.

Mr. BELCHER. That is what I thought. This gives the Secretary the authority to do just what he has done now and that is not to put a pilot program in Mississippi, if he does not so desire. I think there are about 51 pilot programs in the United States, but he has not seen fit to put one in Mississippi. The fact of the matter is that there are only three Southern States which do have the pilot program.

Mr. COOLEY. I wonder if Mississippi has asked for a food stamp program.

Mr. ABERNETHY. I am afraid Mississippi would not get it if they did.

Mr. COOLEY. I asked for it and I have it in my home county and I did not use any undue influence. My people want it.

Mr. BELCHER. I am certainly sure that the chairman of the House Committee on Agriculture with a Democrat Secretary of Agriculture would not have any influence at all, if he asked for a pilot program. If I was the chairman of the Committee on Agriculture with a Republican Secretary of Agriculture, I believe I could get one in my district if I desired it. One of the principal provisions of this bill is the fact that it does give the Secretary of Agriculture authority to place these programs wherever he wants to regardless of every other consideration. And it goes further than that—it permits the Secretary of Agriculture to qualify people for this program who have not been qualified for relief in their home districts. The fact of the matter is that Members of Congress could qualify for food stamps providing they could get Secretary Orville Freeman to approve it. In view of the fact that we had a discussion here a while back with a lot of Members telling how hard up we were, I think on the basis of the CONGRESSIONAL RECORD, Secretary Freeman will be justified in qualifying us for food stamps.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. COOLEY. I am sure the gentleman wants to be fair about it. The Secretary of Agriculture cannot qualify anybody. He cannot establish the eligibility of a single recipient. He cannot get this program to go into a community unless the community asks for it and unless the community is willing to participate.

Mr. BELCHER. But he can qualify in a community in which the program is in operation—he can qualify people at his discretion. People who are not qualified by the local authority.

Mr. COOLEY. No, the gentleman has not read the bill. Look at page 4, line 10, where it says that each State shall establish eligibility. It is not the Secretary of Agriculture.

Mr. BELCHER. The Secretary can qualify people whether they are qualified by the local authority or not.

Mr. COOLEY. No, he definitely cannot do that.

That is the reason for the provision that the State shall establish eligibility and that such authority shall be administered by local authorities.

Mr. BELCHER. But eligibility to qualify in a State food stamp program shall be subject to the approval of the Secretary.

Mr. COOLEY. Certainly.

Mr. BELCHER. Certainly.

Mr. COOLEY. The bill requires that eligibility shall be established at the local level and he must approve it.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mrs. SULLIVAN. If the gentleman will refer to the CONGRESSIONAL RECORD of yesterday at page 6923, he will see the limitations of income applicable as to the qualification of people.

Mr. BELCHER. Of course, I read the bill when it came through the committee.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent, Mr. BELCHER was given permission to proceed for an additional 3 minutes.)

Mr. BELCHER. I merely wish to continue for a few minutes, to make comment on the discussion of the gentleman from Missouri, who said it has been absolutely admitted that this program will not dispose of as many surplus commodities as the present program will dispose of. I believe that was admitted yesterday by everybody concerned, both the proponents and the opponents of the bill.

In addition, so far as taking care of people who are hungry is concerned, there is the fact that in the city of St. Louis there were 63,000 people who got surplus commodities, yet only 12,000 could qualify under the food stamp plan. That is a difference of 51,000 hungry people not being taken care of.

This program first presupposes that a person has an income before he can qualify for food stamps. We ought to call it exactly what it is. This is a diet supplement bill. This is a bill to supplement the diets of those people who are determined not to possess a sufficient diet, although they are able to have sufficient groceries.

There are two great problems which face the country and face the Committee on Agriculture, over which the Committee on Agriculture has authority. The first concerns the disposal of surplus products. This bill will not do that as well as the present program. In addition, I believe a second objective should be to feed those people who do not have other sources of food.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from North Carolina.

Mr. COOLEY. I understand that seven counties in Oklahoma have applications now pending, stating that they want to put in the food stamp program. The Secretary is limited, and does not have sufficient money to put the program into operation in all of the counties which wish it.

In addition, the gentleman knows his statement about poor people is not correct. This program is a program for poor people, for hungry people. Certainly a woman with six orphan children would not be required to have an earning capacity to be qualified.

Mr. BELCHER. What about the 51,000 people in St. Louis who cannot qualify for this who can qualify for surplus products?

Mr. COOLEY. That was under the direct distribution system. I do not know what evils are involved, but I know that where the food stamp program is

in operation apparently it has operated well, satisfactorily, and honestly.

Mr. BELCHER. I have no doubt about that. It cut 51,000 people in St. Louis off the rolls. Undoubtedly they are doing it fairly, because if those 51,000 were all chiselers, then of course the Government is now saving some money.

Mr. COOLEY. No one is suggesting that they were chiselers.

Mr. BELCHER. If they were not, they were cut off unjustly.

Mr. COOLEY. No; the eligibility requirements might have been different.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

(By unanimous consent (on request of Mr. GROSS), Mr. BELCHER was given permission to proceed for 2 additional minutes.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Iowa.

Mr. GROSS. What will be the fate of those 200,000 or more voters in Wisconsin who have been labeled by the Democrat governor as "bigots"? Does the gentleman suppose that with so many alleged "bigots" this program can be put into operation in Wisconsin, if there is a need for it?

Mr. BELCHER. I will tell the gentleman what I believe they will do in Wisconsin. They will probably start up the same thing that some southern man started, about moving the people of the colored race. They will probably start a program to move those people in Wisconsin down South.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from New York.

Mr. LINDSAY. I thank the gentleman for yielding.

A moment ago the gentleman from Mississippi [Mr. ABERNETHY] asked the question whether title VI of the Civil Rights Act would be applicable to this program. I have asked for this time to straighten out the RECORD, because I suspect it was deliberately left "fuzzy" by the speakers on the majority side who answered the question.

There is no doubt that title VI would be applicable to this program. It is applicable on all fours. All that is necessary is to look at the language in the civil rights bill which the House passed, and anyone can tell it is applicable.

I believe we ought to be clear on this point. Whether Members are for or against this program, let us be honest about it. The distinguished chairman of the Committee on the Judiciary [Mr. CELLER], if he were on the floor, would agree with me on that. There is no question about its applicability.

Mr. BELCHER. Would not the gentleman agree with me that when the majority brings out a civil rights bill and passes a civil rights bill they should not bring out a bill the next week that circumvents it in some way?

Mr. LINDSAY. Absolutely.

Mr. BELCHER. If the majority brings out a bill knowing it would not be covered by the civil rights bill, and

then they bring out a civil rights bill to protect the people, and then bring out another bill next week which says it will not apply to this program, is that proper?

Mr. LINDSAY. They clearly should not try to obfuscate the matter. When the majority leader takes the floor and says he does not know the answer to the question asked by the gentleman from Mississippi [Mr. ABERNETHY], that is unfortunate. The answer is title VI applies and he knows it.

Mr. HAGEN of California. Mr. Chairman, I move to strike out the requisite number of words.

I would like to ask the gentleman from New York a question. The same considerations are true of all programs for Federal expenditures. They are all affected by title VI of the civil rights bill.

Mr. LINDSAY. That is correct.

Mr. HAGEN of California. Including the direct distribution of food.

Mr. LINDSAY. That is correct. Title VI says that the executive branch shall take action "by the termination of or refusal to grant or to continue assistance under such program or activity to any recipient as to whom there has been an express finding of a failure to comply with such requirement." That language is applicable, and it should be.

Mr. HAGEN of California. So this is not an attack on this particular program. If it is an attack at all, it is on all Federal expenditure programs that go to the States for administration?

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. May I ask the gentleman from New York a question? I want to thank the gentleman for the statement he has made with reference to title VI. The gentleman from New York is one of the members of the Committee on the Judiciary who handled the civil rights bill, and I consider him to be an authority on the subject. I would like to read to the gentleman from New York title VI of the civil rights bill, H.R. 7152—

Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract other than a contract of insurance or guarantee, shall terminate, refuse to grant, or to continue financial assistance to a recipient of such assistance, if such recipient on the grounds of race, color, or national origin excludes from participation in, denies the benefits of, or subjects to discrimination any individual under any such program or activity of financial assistance.

Is it the gentleman's opinion as one of the authors of the civil rights bill and an authority on the subject that this section of the civil rights bill, if it becomes law, would be applicable to this food stamp bill if it becomes law?

Mr. LINDSAY. The answer is yes. Without question.

Mr. HAGEN of California. I would like to ask another question of you. Is it your interpretation of section VI of the civil rights bill that if Mississippi discriminated in voting practices, we will say, or in hospital projects, that then

they would be cut off from this food stamp program, or would they have to discriminate in the food stamp program specifically to be cut off from it?

Mr. LINDSAY. Title VI applies to the specific program in question.

Mr. HAGEN of California. We already have discrimination prohibitions in this bill. Therefore it is a specious argument to say that title VI of the civil rights bill would add anything to this particular program. Discrimination in other areas would not result in withdrawal of this program.

Mr. LINDSAY. This section of the pending bill has no teeth in it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman.

Mr. COOLEY. Let me ask the gentleman from New York a question. Do you maintain seriously before this House if this food stamp program is utterly and completely free from discrimination, that the Federal Government can take away the program from the States where they are operating free and clear of discrimination?

Mr. LINDSAY. I make no such statement. If there is discrimination in the administration of the program, at any level, then section VI is applicable.

Mr. COOLEY. Then, you could not apply it to this program if it is free from discrimination. As the gentleman from California [Mr. HAGEN] just pointed out, there is a specific prohibition against discrimination.

Mr. LINDSAY. As the gentleman well knows, we thoroughly discussed the applicability of section VI during the civil rights debate and the point was made over and over again that title VI applies to the specific program, not to all programs within the State, but the termination of assistance with respect for that program, in the event there is discrimination in the administration of the program, is mandatory. It is a mandatory cutoff.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the majority leader.

Mr. ALBERT. May I ask the gentleman from New York if he is in favor of this bill or not?

Mr. LINDSAY. I want to see whether the program is kept on a matching basis. I think we should have the matching provision, and I would like to know therefore whether the gentleman from Oklahoma will support the maintenance of the matching provision in this bill.

Mr. ALBERT. If the matching provision is stricken out, will the gentleman support the bill?

Mr. LINDSAY. Mr. Chairman, I would like to ask the gentleman from Oklahoma whether he would care to revise the statement he made, that he does not know whether title VI of the Civil Rights Act would apply to this program in the event there is discrimination in its administration.

Mr. ALBERT. There is no necessity of applying it. The bill itself prevents discrimination.

Mr. LINDSAY. Is the gentleman

suggesting that he would be in favor of discrimination in the administration of it?

Mr. ALBERT. Of course, the gentleman knows better than to ask that kind of question.

Mr. LINDSAY. Then why does not the gentleman clarify the statement he made a few moments ago on the question of the applicability of title VI of the Civil Rights Act?

The CHAIRMAN. The time of the gentleman from California [Mr. HAGEN] has expired.

Mr. KYL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to direct a question to the Chairman of the Committee on Agriculture, a serious and direct question relative to the language which appears in lines 23, 24, and 25 of page 2 of the bill, where the bill makes an exemption of "alcoholic beverages, tobacco, soft drinks, luxury foods" and those products "which are identified on the package as being imported from foreign sources when they arrive at the retail store."

I would ask the gentleman this question. Does this mean that under this program such products as coffee, tea, bananas, coconuts, cocoa, cinnamon, ginger, black pepper, et cetera, which normally carry the import label, would be excluded from the program?

Mr. COOLEY. If the product has the import label on it at the time that it arrives at the retail store it would be excluded.

Mr. KYL. In other words this is the situation. I will say to the gentleman that I have made a perfunctory examination of this matter and I find that the package for bananas when it arrives at the store indicates the country of origin; black pepper usually indicates the country of origin; coffee normally tells the country of origin. These products then would be excluded under this bill; is that correct?

Mr. COOLEY. I think coffee comes into the country, perhaps in bulk, and is packaged in this country.

Mr. KYL. Let me say to the gentleman that in the little checking that I made I find that most of the coffee carries the imprint "A brand of Colombian coffee" or "A brand of Guatemalan coffee." That is clearly indicated.

Mr. COOLEY. If it is indicated, then it is out.

Mr. KYL. The point is that almost all of these products, in fact all of them, are imported and most of those items are so labeled. Does that mean that this is a blanket restriction on the use of these products in the program?

Mr. COOLEY. If they are labeled at the time they arrive as coming from some foreign country, yes.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentlewoman.

Mrs. SULLIVAN. At the present time the recipients of food stamps are not allowed to buy tea, coffee, or bananas. But they are spending their own money, even though they get a bonus of food stamps, for those products. Under this bill they would be allowed to buy coffee

and tea with their own money, even though they are using the food stamps as a bonus that has been given to them. We all know that every bit of coffee is imported because we do not grow it here. Under this provision, because they are spending their own money, in addition to getting this aid from the Government, they are going to be allowed to buy tea and coffee.

Mr. KYL. I wish that the gentlelady had not said what she did. I was simply trying to clarify the language. But if I turn her language around I would have to assume that it would be perfectly permissible for the individual who gets the food stamps to use his own money, his own contribution, for the purchase of alcoholic beverages, et cetera, under this provision.

Mrs. SULLIVAN. No; that is definitely not included. But coffee, tea, and bananas, for instance, are.

Mr. KYL. But if the exemption is made in one case how can you take the exemption away in the other?

Mrs. SULLIVAN. It is a food product. However, when one comes to the consideration of liquor, tobacco, and other things, one cannot classify it as food.

Mr. KYL. Is the gentlewoman saying that the individual could not use his own funds for the purchase of alcoholic beverages, for instance?

Mrs. SULLIVAN. If the gentleman will yield further, he can use his own funds, but he cannot use the funds that he is given under the food stamp program.

Mr. STINSON. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Washington.

Mr. STINSON. Since imported meat and imported cream, for example, can be processed into finished food products, what is going to be the result of beef imports and cream imports? Are beef imports going to be encouraged so that that beef can be processed into beef stew, and will cream imports be encouraged so that cream can be manufactured into ice cream and thus made eligible under this program? Will the surplus problem not be aggravated instead of alleviated?

Will we not actually be encouraging the importation of beef and cream?

Would the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], care to comment on that?

Mr. POAGE. Mr. Chairman, will the gentleman from Iowa yield to me so that I may respond to the question?

Mr. KYL. I yield to the gentleman from Texas.

Mr. POAGE. I think in all fairness it must be said that the committee seeks to limit the use of foreign products. We would like to confine the provisions of this bill to those commodities that are grown at home.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. KYL] has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. The committee would like to confine this to domestic products and provide a maximum disposal of our own products. But we recognize that we must be practical about the matter; that we must, if the program is to succeed, have a workable program rather than something which will carry you over into the Court across the street every time you want to make a purchase.

Mr. Chairman, we are interested in having something that people can live with. In the normal grocery store it is utterly impossible to tell just exactly where everything comes from. So, the Committee did what I think is the most reasonable thing it could have done. We have said that, if the commodity is labeled and shows on its face that it comes from a foreign country, the participants under the provisions of this program cannot use food stamps with which to buy it. In other words, one cannot deliberately go in and spend one's stamps for the benefit of a foreign country.

However, we are not going to impose upon each and every recipient of food stamps an impossible burden or impose upon the grocer the impossible burden of determining with accuracy exactly where everything in that grocery store came from. To try to do so would, of course, make the entire program absolutely unworkable. This is true because nobody can tell with certainty that there is not something of a foreign origin in a package. Perhaps it is a package of corn flakes. I cannot conceive how it could be of foreign origin but, perhaps, that corn may have come from Canada. Who knows? Certainly we do know that a large part of all sugar comes from abroad. Are we going to make the grocer decide whether cane sugar came from Mexico or Florida?

Mr. Chairman, to have done other than what the Committee has done, it seems to me, would have left us with an utterly impractical and unworkable bill. The basic approach of the Committee has been one of trying to emphasize the use of American-produced foods.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

The Clerk will read.

The Clerk read as follows:

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "food" means any food or food product for human consumption except alcoholic beverages, tobacco, and those foods which are identified on the package as being imported from foreign sources.

(c) The term "coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this Act.

(d) The term "coupon allotment" means the total value of coupons to be issued to a household during each month or other time period.

(e) The term "household" shall mean a group of related or unrelated individuals, who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term "household" shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

(f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

(g) The term "wholesale food concern" means an establishment which sells food to retail food stores for resale to households.

(h) The term "State agency" means the agency of the State government which has responsibility for the administration of the federally aided public assistance programs.

(i) The term "bank" means member or nonmember banks of the Federal Reserve System.

(j) The term "State" means the fifty States and the District of Columbia.

(k) The term "food stamp program" means any program promulgated pursuant to the provisions of this Act.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 2, line 23, insert: "soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 24, after the period insert: "when they arrive at the retail store."

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ANDREWS OF NORTH DAKOTA

Mr. ANDREWS of North Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of North Dakota: Page 2, line 19, strike the word "Agriculture" and insert the words "Health, Education, and Welfare."

(Mr. ANDREWS of North Dakota asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS of North Dakota. Mr. Chairman, I certainly hope that the House will adopt this amendment providing that the food stamp program will be administered by the Secretary of Health, Education, and Welfare and paid out of Health, Education, and Welfare funds. This food stamp plan is a welfare measure and should not be mistaken for an agricultural program.

Those of us representing predominantly rural areas in the Congress are continually faced with the false charges by our big city colleagues that the American taxpayers are subsidizing the American farmers. Nothing could be further from the truth. As a matter of fact, it is my firm belief that the American farmers are subsidizing the people of America.

Of the estimated expenditures for the fiscal year 1964 by the Department of Agriculture, it is estimated that 38.3 percent or over \$2½ billion goes for programs that clearly provide benefits to consumers, businessmen, and the general

public. This includes programs having foreign relations and defense aspects, such as the sale of surplus agricultural commodities for foreign currencies and emergency famine relief to friendly peoples as a part of our foreign aid program.

It also includes the money now spent for food distribution programs, such as the school lunch program, the special milk program, the pilot food stamp plan, et cetera. About 22 percent or close to \$1½ billion is spent for long-range programs for the improvement of the Nation's resources and to provide capital improvements for urban communities as well as rural areas. This includes REA and FHA loans, the Forestry Service, the Extension Service and their aid to city dwellers as well as farmers, Soil Conservation Service, and the Agricultural Research Service.

Only 39.7 percent of the total agriculture budget goes toward programs predominantly for stabilization of farm income and conservation payments direct to farmers such as the ASC program, price support, acreage diversion payments, National Wool Act, and Sugar Act. As a matter of fact, much of these expenditures is recovered later on when the commodities are sold.

We have to recognize that we are in a competitive situation. The American public demand and must have a dollar's worth of value for every tax dollar collected. They deserve to know just where these tax dollars are being spent, and for years agriculture has been suffering because of mistaken impressions that the farmer was getting a free ride through the courtesy of the American taxpayer.

Nowhere on this planet do people spend less of their paychecks percentage-wise for food than here in America. As a matter of fact, food costs to American citizens have risen less since 1947 than most other consumer items in the cost-of-living index. The farmer now receives, as a matter of fact, 12 percent less for the farm food market basket than he did in 1947 to 1949.

To illustrate the misunderstanding by city Congressmen is the disturbing statement which appeared in the Monday, March 16, Wall Street Journal referring to the upcoming vote in the House on the wheat bill, and I quote:

City Democrats don't share Mr. Johnson's enthusiasm for staving off a "dispression" in the predominantly Republican wheat-growing areas. "You might find those wheat-growers more inclined to vote Democratic if you let them go broke," one urban Democrat contends.

This statement and this feeling are completely false. We have heard much talk lately about the war on poverty. It is a matter of history that in America depressions have begun on the farm. The farmer is the basic producer of new wealth. That which he sells comes directly from the soil, and as he prospers so does the entire American economy prosper.

The farmer operates under a number of disadvantages. For instance, in his cost of production, he pays American prices for his machinery, labor, gas, and oil, and so on. Then when he finally harvests his crop, he finds it costs him,

if he is a North Dakota farmer, some 50 cents a bushel more to ship his wheat to the west coast for export than it does for his Canadian friend just north across our border. Freight rates in the United States are that much higher than freight rates for Canadian grain. Then when he once gets his grain to a seaport, he finds it costs him \$3 to \$10 more a ton to ship in American bottoms, which he is required to do, which is another 30 cents a bushel. Then we talk about export subsidies and blame them on the American farmers.

For a long time, we have had very useful programs such as the school milk program, the school lunch program, et cetera, all chargeable against agriculture. We have meat inspection, which protects the consumer but is charged against agriculture. I could go on and on, but in my limited time this is impossible.

Here we have a program, the food stamp program, which may be a cornerstone in the war against poverty. Certainly it is much better to furnish food to people in need, than money which may be spent for nonessentials. But if this program, as pointed out in the act, is going to cost \$360 million a year, I think it is best we put it where it belongs and charge it to welfare funds rather than to the farmer.

The farmer is proud to be an American. He is proud that in this country and under the free enterprise system he has been allowed to grow, to become strong; but he resents very much the city person's false impression that he is being subsidized, when in reality it is the farmers who are subsidizing the city people of America.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I can understand thoroughly how the gentleman feels about the matter he has just discussed. I think all of us know that unfortunately agriculture is charged with many things that agriculture should not be charged with. He mentioned meat inspection. We inspect other things, such as fruits and vegetables. We have the school lunch program charged up to the farmers and the milk program charged up to the farmers.

The Public Law 480 program, under which we have disposed of over \$10 billion worth of agricultural commodities abroad, is also charged to agriculture.

These programs that have been left to the Department of Agriculture have been properly administered. It would be very confusing if we should now attempt to charge this program to the Department of Health, Education, and Welfare. I think we must leave it with Agriculture.

I think that this amendment would be very confusing and very unfortunate. Actually, I wish we could find some way to keep the books properly so as to reflect the true picture to the American public.

During the 8 years of the administration under Mr. Eisenhower the Secretary of Agriculture spent more money than all the Secretaries of Agriculture in the previous 90-year history of the Department of Agriculture. That is horrible to

think about. I do not mean to say he wasted it or squandered it, but the record is there. You know and I know the farmers of the Nation did not benefit to that extent under those programs, and they have not benefited under the budget that has been provided. City people profit by the so-called agricultural programs just as farmers profit by them.

Under this program certainly we are interested in disposal of surplus commodities. I am not going to argue with anybody who says it is a welfare program, because largely it is a welfare program. It is a program to feed hungry Americans, poor people. For that reason, I hope the pending amendment will be defeated.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SMITH of Virginia. I have no particular feeling about this amendment, but I am wondering about this. The gentleman says this is a relief program, of course. Being a relief program, naturally the mass of participants are going to be those who are on the relief rolls. Is not that true?

Mr. COOLEY. That is not necessarily true. In my own county, I do not know to what extent the people came from the relief rolls, but I do know that the recipients have put up \$295,000 to obtain food stamps while the Government has contributed \$273,000. They pay this money out of their own meager earnings.

Mr. SMITH of Virginia. Are not these people bound to be on the relief rolls?

Mr. COOLEY. No, no.

Mr. SMITH of Virginia. Is this just not another form of relief?

Mr. COOLEY. There are people, and perhaps the gentlewoman from Missouri [Mrs. SULLIVAN], knows more about this than I do—there are people benefiting by the food stamp program who are not actually on the relief rolls.

Mr. SMITH of Virginia. I think so, under your bill.

Mr. COOLEY. They would be people who have meager earnings—not enough really to feed their families as they should be fed. So they can make their showing and establish eligibility.

Mr. SMITH of Virginia. Do you not expect the bulk of this to go to people who are already recipients of relief?

Mr. COOLEY. No, I do not think so. It will go also to people who are not on relief. It will go to people of modest incomes who cannot provide their families with the necessary food. Take a mother who is receiving aid for dependent children. She could take part of that money and go in and buy bonus food stamps.

Mrs. SULLIVAN. May I just point out, in answer to the question the gentleman has asked. In your area in North Carolina, 1,577 of your people are on public assistance who are receiving aid. But 6,894 are nonpublic assistance people—they are just people with low incomes.

Mr. SMITH of Virginia. Then, according to that, 90 percent of the recipients of this are going to be other people who need relief; is that right?

Mrs. SULLIVAN. Yes.

Mr. SMITH of Virginia. So we set up two separate and distinct forms of relief or groups of relief people.

Mr. COOLEY. No.

Mrs. SULLIVAN. No, it would not do that.

Mr. COOLEY. There may be some difference in eligibility requirements for assistance, but as has just been pointed out, it is not restricted to people who are on relief.

Mr. SMITH of Virginia. That may be the case, but according to the statement made by the gentlewoman from Missouri, which she just read, in your own district 90 percent of the people receiving that are not on relief.

Mr. COOLEY. That is right—I did not know the percentage exactly.

Mr. SMITH of Virginia. So you have two relief programs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina [Mr. Cooley] may proceed for one additional minute to answer a question.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate the gentleman pointing out that this is indeed a welfare program and I appreciate the fact that you also as chairman of the House Committee on Agriculture know the problem the farmer faces so far as this public relations problem goes in convincing the American taxpayer that the farmer is not the recipient of an overly large share of the American tax dollar. What suggestions would the chairman have to point out to the people of the East and the big city areas that much of this money that is spent in the agricultural program does not go directly to the farmer.

Mr. COOLEY. My answer to that is we would need an education program. But you people in other areas know what the real situation is. Our committee has wrestled with this problem.

I appreciate your views on it. I wish we knew some way to correct the situation, but as it goes on and we see these enormous agricultural budgets which shock the sensibilities of people living in the city districts, we wish we could correct the situation.

Mr. ANDREWS of North Dakota. It works to the disadvantage of the farmers of America unfortunately.

Mr. COOLEY. The gentleman is right. It definitely does.

Mr. Chairman, a great deal of information available to the public on farm subsidies is deceptive in effect, if not in purpose.

Consumers and taxpayers generally are led to believe that the total annual appropriations to the Department of Agriculture are subsidies to farmers. Actually, nonfarmers participate in a larger share of this Department's expenditures than do farmers themselves. To help correct this misconception, I shall insert at this point in the RECORD a tabulation, prepared by the Department, showing expenditures that benefit consumers and expenditures for the stabilization of farm income.

Department of Agriculture expenditures for farmers, for consumers, for business

[In millions of dollars]

	1963	Estimated, 1964	Estimated, 1965
Programs which clearly provide benefits to consumers, businessmen, and the general public, total.....	3,903	4,348	3,513
Other programs which are predominantly for stabilization of farm income, but which also benefit others, total.....	3,832	2,630	2,302

BREAKDOWN OF TOTALS

	1963	Estimated, 1964	Estimated, 1965		1963	Estimated, 1964	Estimated, 1965
Programs which clearly provide benefits to consumers, businessmen, and the general public:				Programs which clearly provide benefits to consumers, businessmen, and the general public—Continued			
Programs having foreign relations and defense aspects:				Long-range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management:			
Sales of surplus agricultural commodities for foreign currencies.....	1,483	1,609	1,081	Forest Service.....	287	338	321
Emergency famine relief to friendly peoples.....	216	246	244	Agricultural Research Service.....	176	186	171
International Wheat Agreement.....	74	101		Soil Conservation Service.....	182	192	198
Transfer of bartered materials to supplemental stockpile.....	100	86	81	Extension Service.....	75	80	78
Long-term supply contracts.....	80	225	297	Cooperative State Research Service.....	38	41	43
Payments to Veterans' Administration and armed services under sec. 202 of the Agricultural Act of 1949, as amended, for milk and other dairy products used in excess of normal requirements.....	41	41	41	Agricultural Marketing Service, Marketing Research and Service.....	41	41	27
Total.....	1,994	2,308	1,744	Farmers Home Administration, salaries and expenses.....	36	39	44
Food distribution programs:				Other, including FCS, FAS, CEA, FCIC, REA expenses, and staff offices.....	91	81	78
Commodity purchases under the program for removal of surplus agricultural commodities.....	107	267	171	Total.....	926	998	960
Pilot food stamp plan.....	20	45	51	Total.....	3,903	4,348	3,513
School lunch program.....	169	181	193				
Special milk program.....	94	98	100				
Total.....	390	591	515				
Investment in REA and FHA loans, which are subject to repayment:							
REA loans.....	332	208	205				
FHA loans.....	261	243	89				
Total.....	593	451	294				

Department of Agriculture expenditures for farmers, for consumers, for business—Continued

BREAKDOWN OF TOTALS—Continued

	1963	Estimated, 1964	Estimated, 1965		1963	Estimated, 1964	Estimated, 1965
Other programs which are predominantly for stabilization of farm income, but which also benefit others:				Other programs which are predominantly for stabilization of farm income, but which also benefit others—Con.			
Agricultural conservation program.....	221	226	225	CCC price-support, supply, and related programs—Con.			
Conservation reserve program.....	305	293	200	Price-support payments:			
Cropland conversion program.....	4	54	52	Feed grains.....		403	374
CCC price-support, supply, and related programs:				Wheat.....		90	
CCC price-support, supply, and related programs.....	2,171	575	578	National Wool Act program.....	63	79	55
Less payments to Veterans' Administration and armed services under sec. 202 of the Agricultural Act of 1949, as amended, for milk and other dairy products used in excess of normal requirements.....	-41	-41	-41	Agricultural Stabilization and Conservation Service expenses.....	86	113	114
Acresage diversion payments:				Total.....	3,225	1,964	1,737
Feed grains.....	677	618	635	Sugar Act program.....	77	93	88
Wheat.....	269	127	22	Total.....	3,832	2,530	2,302
				Grand total.....	7,735	6,978	5,815

Two-thirds of Department of Agriculture expenditures, in the 1964 budget, are for services which are of primary benefit to the general public. Only one-third goes for price support and related programs in which farmers are the primary but not the only beneficiaries.

As of January 31, 1964, the Department of Agriculture reported 97,510 full-time employees. Approximately two-thirds of these are engaged in work of benefit to business and the general public far more than to farmers.

The Secretary's Office and overall staff and service offices have 2,512 employees. The remainder of the 97,510 are distributed as follows:

Forest Service.....	25,340
Agricultural Research and Extension Service.....	18,583
Soil Conservation Service.....	17,114
Farmers Home Administration..... ¹	11,467
Agricultural Marketing Service.....	10,103
Agricultural Stabilization and Conservation Service.....	6,711
Statistical Reporting Service.....	1,312
Crop Insurance.....	1,307
Economic Research Service.....	1,010
Rural Electrification Administration.....	980
Foreign Agricultural Service.....	2,957
Commodity Exchange Authority....	114

¹ The Farmers Home Administration figure includes 92 for the Farmer Cooperative Service and 35 for the Office of Rural Area Development.

² The Foreign Agricultural Service figure includes 60 for the International Agricultural Development Service and 6 for the international organization staff.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from North Dakota brought home one or two very valid points, but of course I must disagree with the amendment and rise in opposition to it.

It is quite true that many urban Congressmen and our constituents feel displeased about a \$7 billion agricultural budget and many of them either rightly or wrongly feel they are in part subsidizing the farmers of America. That is precisely why this amendment should be defeated, and it is precisely why the gentleman from North Dakota ought to vote for this bill. Certainly, no one would argue that the Department of Agriculture has the experience and the facilities for distributing food and for understanding where the diet of our people can be improved; and in what

way and how they can relate these to items of food and supervise this program. No one would suggest that the Department of Health, Education, and Welfare has that experience in terms of food consumption.

So far as the Department of Agriculture is concerned, it is about time, I think, that the Department of Agriculture assumed its rightful role and not merely in interest of the farmers but in the interest of Americans and in the interest of food. The Department of Agriculture should have a concern and I know they have—but the Congress should recognize they are as much concerned with the production of food as they are with the consumption of food and the distribution of food and everything relating to food and all that follows from that.

Certainly, the gentleman should support the thought that the Department of Agriculture should assume a leading role in supervising the production and distribution and consumption of food in this country. It may well be that in this Congress or in the next Congress, some of us from the city ought to introduce a resolution or a bill to change the name of the Department of Agriculture.

Then you and your constituents will not be burdened any more with the charge of expending \$7 billion a year. Once that happens, and once the Department and the Committee on Agriculture assume an interest over food for all Americans, I believe we can obtain a balanced approach.

I feel certain the gentleman would agree with me on the first premise, that the Department has the necessary experience to deal with food and food products, as compared to the Department of Health, Education, and Welfare.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I am happy to yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I agree wholeheartedly that the Department has the facilities and experience to deal with food and food products.

Let me point out however, the problem we face. The budget for the Department of Agriculture was cut, as the gentleman knows, in the budget message of

the President to the Congress. The part which was cut was the part which deals with research in the basic methods of finding out how to produce food more cheaply and how to market it in better form for the consumers of America. The farmers need to have public sentiment on their side so that when the budget is cut it will not be cut so directly in respect to these basic fundamentals needed by farmers. This is exactly the problem we face. This is the reason for the amendment.

Mr. ROSENTHAL. I am in agreement with the gentleman. I do not go along with that reduction in the budget.

I suggest that if both of us, working together, can help to create a better image for the Department with the Congress and the American people, in respect to how the Department is concerned with all food matters, distribution and consumption included, then we shall be able to accomplish more in the interest of all Americans.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from North Carolina.

Mr. COOLEY. I suggest that the gentleman read the last paragraph on page 19 of the bill, which I believe clarifies the situation now being discussed.

Mr. ANDREWS of North Dakota. I have read that language, and I am happy that the committee included that in the bill. However, I fear it is not sufficient to make sure that the public realizes this is a welfare program.

Mr. ROSENTHAL. Let me point out, in conclusion, that if my people and the people in the cities can be sure that the Department of Agriculture has their interests in mind—such as this food stamp plan and the proper application of the food stamp plan—then they will be a bit more sympathetic toward all of the needs of the gentleman's constituents, which come under the jurisdiction of this Department.

Mr. McINTIRE. Mr. Chairman, I rise in support of the amendment.

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. McINTIRE. I yield to the chairman of the committee.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Iowa.

Mr. HOEVEN. I hope the chairman will not press that request at this juncture. Several Members have indicated they wish to speak on this amendment.

Mr. OLIVER P. BOLTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

[Mr. McINTIRE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-one Members are present; not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 96]

Ayres	Griffiths	Relfel
Bass	Hébert	Rivers, S.C.
Brooks	Keogh	Senner
Buckley	Malliard	Sheppard
Burleson	Máthias	Smith, Calif.
Dowdy	Matsunaga	Steed
Duncan	Monagan	Teague, Calif.
Flood	Moore	Teague, Tex.
Fogarty	Moorhead	Thompson, N.J.
Fulton, Pa.	Morse	Tollefson
Gilbert	Nelsen	Willis
Goodell	O'Brien, Ill.	Wilson, Ind.
Gray	Pepper	Wyman
Griffin	Powell	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 10222, and finding itself without a quorum, he had directed the roll to be called when 381 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman and Members of the Committee, the matter before the Committee is an amendment proposed by the gentleman from North Dakota to place this program in the jurisdiction and within the funding responsibility of the Department of Health, Education, and Welfare.

I rise to support that amendment. There are many of those who argue that because the Department of Agriculture has been in the business, you might say, of the distribution of food that that is the logical place for this program to rest administratively. However, I think this is the time to draw the line and for the Department of Health, Education,

and Welfare to assume the responsibilities in the field for which they were established and in which they are competent to administer.

Mr. Chairman, this program will be a very sizable program. It is not a commodity program in any sense of the word. It is in effect a cash welfare program. This is the time that the Congress should place the administration of this program within the same framework of the administration of other welfare programs.

I realize that the Department has done a great deal of work in relation to the pilot plant operation and quite naturally are interested in the continuation of this program in the Department. However, this is a major departure from the historic responsibilities of the Department. Because this is a major departure, I think this amendment ought to be supported by the committee and let us leave the responsibility of the Department in the field of production and marketing and let us leave the administration of programs of public assistance in the hands of the Department of Health, Education, and Welfare.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not a fact that this matter which the gentleman is now discussing has been thoroughly discussed and considered in the Committee on Agriculture time after time?

We realize it is an unfortunate situation, but I do not believe this is the way or that this is the time to try to correct the situation. I believe we need an educational program, a broad and comprehensive educational program so that people other than farmers will know we as farmers are not profiting to the extent indicated by the appropriations.

Mr. McINTIRE. I appreciate my chairman's comments. This matter was discussed in the committee; that is true. However, we are in the legislative process, and the amendment is appropriate to this bill, and I believe it has sufficient merit to justify support by the committee. We should amend the bill in accordance with the amendment offered by the gentleman from North Dakota.

Mr. COOLEY. Mr. Chairman, I rise to make a unanimous consent request.

I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

Mr. MATTHEWS. Mr. Chairman, reserving the right to object, I should like to have 5 minutes, if I may.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. HOEVEN. Mr. Chairman, reserving the right to object, when the previous request was made by Chairman COOLEY I suggested that there were several Members on my side who had indicated they desired to speak on the amendment, and on other amendments.

I hope that debate will not be limited or foreclosed. This is not an emergency piece of legislation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I hope that the chairman will not insist on his request at this time.

I yield.

Mr. COOLEY. There are only two Members standing. They will have 5 minutes apiece.

Mr. HOEVEN. I want the chairman to know that I expect to speak on this amendment. I should like to have 5 minutes.

Mr. COOLEY. I will change my request to 15 minutes, Mr. Chairman.

Mr. HOEVEN. Reserving the right to object, Mr. Chairman, how is the time to be allocated?

The CHAIRMAN. Only three Members are standing.

Mr. HOEVEN. I shall be constrained to object unless I am accorded at least 5 minutes.

The CHAIRMAN. The gentleman from Iowa is included in those standing, and will be included in the 15 minutes.

Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from North Dakota [Mr. SHORT] is recognized.

Mr. SHORT. Mr. Chairman, I rise in support of the amendment.

(Mr. SHORT asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, I rise in support of the amendment, though I am inclined to agree with the chairman of the committee that this is perhaps not the appropriate time to do this. I believe we should be thoroughly aware of what we are authorizing if we pass this bill extending authority into the field of public welfare for the Secretary of Agriculture. In my opinion this is definitely a field of authority and responsibility in the area of public welfare that belongs to the Secretary of Health, Education, and Welfare.

The responsibility in this bill, so far as the Secretary of Agriculture is concerned, is confined merely to the administration of what definitely is a welfare program. There has been some difference of opinion as to whether the bill says it is or is not a welfare program, but whatever it is it is a program which provides for stimulating the use of food products not necessarily even American agricultural food products, and certainly and definitely not necessarily products of American agriculture that are in surplus.

Before we leave this section of the bill, I would like to take advantage of this opportunity to refer again to subsection (b) of section 3, at the bottom of page 2, with reference to the language there on the identification of imported food products. I would like to call the attention of the committee to the fact that last year the United States imported about 11 percent of the total beef supply consumed in the Nation—the highest in our history. I think it is really important for this committee to understand how this beef is imported; that is, in what form. A lot of beef is imported canned and this is identified, it is true. Beef canned in a foreign country probably would not be eligible for purchase under the food stamp program because it is identified

as to the country of origin. However, from these same countries that have foot and mouth disease, where the meat is canned before it is sent to this country, we also under the present provisions of law import a lot of meat that is cooked in order to kill the foot and mouth disease germ.

It is not cooked in this country anymore, although it used to be, but it is now cooked in the country of its origin and comes into this country as cooked beef. The retail store does not import this beef, and this is the important part of this, but some wholesaler, some packer, some provisioner imports this beef and it is processed probably into some food product such as hot dogs, sausages, luncheon meats, and this sort of retail product. How can it possibly be identified at the retail level? I am inclined to agree with the gentleman from Texas [Mr. Poage], who said a while ago that if we are going to pass this bill, we are imposing a completely ridiculous requirement on the retailer, because it is impossible for him to identify this meat.

Let me point out one more thing. The bulk of the beef imported into the United States comes from Australia and New Zealand where we do not have foot and mouth disease, but it comes in frozen 60-pound blocks that some packing plant or provisioner or wholesaler processes into luncheon meat, hot dogs, sausage, or other meat products. At that level he sends it on to the retailer. This processor is under no obligation to identify that all or a part of the product was imported. What I am saying is that in this bill we are continuing the policy that we have apparently adopted in this country of continuing to provide a real opportunity for the foreign countries that are big beef producers to export beef into the United States. Perhaps this is a part of the family farm program. It is real interesting that the professed policy of this administration to protect the family farmer is apparently directed to protecting the family farmer in Australia. You should know that some of these family farms in Australia are owned by such family farm operations as the King Ranch of Texas and some of them run as many as 100,000 head of cattle.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

The Chair recognizes the gentleman from Iowa [Mr. Hoeven].

(Mr. Hoeven asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, this is a very important amendment and I hope it will be adopted. The amendment will place the jurisdiction over the food stamp plan in the Department of HEW where it belongs. It may result in some confusion for the time being as the gentleman from North Carolina, Chairman Cooley, suggests, but this is the time and place to legislate. It has been frankly admitted by the proponents of the legislation that this is a welfare program. Apparently we are no longer concerned with the orderly disposal of surplus agricultural commodities as such, as the original food stamp plan intended.

The substance of the amendment has been discussed in committee many, many times and I am sure the gentleman from North Carolina Chairman Cooley will agree with me when I say that it was the practically unanimous feeling among our committee members that the food stamp plan should logically be placed under the jurisdiction of the Department of Health, Education and Welfare. The only reason given why this should not be done is that it might result in some confusion.

I cannot see, for the life of me, why so many of our welfare programs should be charged to agriculture. The American farmer much too long has been charged with the terrific cost of our farm programs.

Take for instance, the school milk program. It is charged to the Department of Agriculture, in its entirety. That program furnishes milk not only to the farmers' children but to all children in all the 50 States.

Take the school lunch program. That applies not only to the children of farmers, but it applies to all schoolchildren in all the 50 States.

Public Law 480 is charged to the Department of Agriculture. Actually it should be charged to the Department of State in that it has become a part of our foreign aid program.

The Department of HEW will not have any particular difficulty in taking over the school lunch program. It is well set up to handle welfare programs. The Secretary of HEW can requisition the food that he needs from the Department of Agriculture when that food is in surplus. There is no good reason why we should not charge this program to HEW, where it belongs. I hope the Members will support the amendment.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. HAGEN of California. If this amendment carries, will the gentleman support the bill?

Mr. HOEVEN. I think that is beside the point, but for the gentleman's information, I do not intend to vote for the bill.

Mr. HAGEN of California. The fact is that HEW has not sought this authority. They have never indicated that they could administer the program.

Mr. HOEVEN. It does not make any difference whether HEW wants the program or not. The Congress of the United States is here to work its will. It can direct the Department of HEW what it shall do and then appropriate what funds are necessary for the operation of the program.

Mr. HAGEN of California. The Department of Agriculture has had experience in administering this program in the thirties and in the early forties and more recently in the pilot program. They know how to administer a program of this kind.

Mr. HOEVEN. That is a rather weak argument, may I say to my friend. It is proposed to charge the American farmer and the Department of Agriculture for the entire program and, in my

judgment, that is wrong. There may be a little confusion in making the transition, but I am sure HEW can get the show on the road without too much difficulty. I strongly urge that the amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. Matthews] for 5 minutes.

(Mr. MATTHEWS asked and was given permission to revise and extend his remarks.)

Mr. MATTHEWS. Mr. Chairman, may we, first of all, realize just exactly what this amendment will do?

If the members of the Committee will look on page 2, line 18 of the bill, they will find if this proposed amendment is passed it would change the term "Secretary" to mean the Secretary of the Department of Health, Education, and Welfare.

Mr. Chairman, I am opposed to this amendment. As I stated yesterday in general debate, at the present time we have a program that we will call and have called the direct distribution program. This program is now handled by the Department of Agriculture.

If the members of the Committee will look at the report, page 11, they will find that some of the commodities there are handled by the Department of Agriculture under the present direct distribution program. Also, to the side, the members of the Committee will find these same products that have been handled in a pilot program under the food stamp program.

Now, I maintain if we call the direct distribution program "DD" and the food stamp program "FS," meat under "DD" is meat under "FS," that poultry under "DD" is poultry under "FS," and right on down the line.

Mr. Chairman, this is not a new program. This is a program that has been administered by the Department of Agriculture. It has some perfecting measures which are desirable, but it is still a program that embodies the distribution of food. Some of these commodities are not in surplus. But may I point out again—and I believe we have convincing proof that most of these commodities will still be in surplus. If the members of the Committee will look on page 10 of the report they will find an indication of how much of these surplus commodities have been used in the pilot food stamp program in Detroit, Mich.

Mr. Chairman, I make that point again and again, that at the present time we have a direct-distribution program which is now handled by the Department of Agriculture.

Mr. Chairman, this proposal provides for a food stamp program, handling the same commodities, with this one exception—that all commodities do not have to be surplus in the hands of the Commodity Credit Corporation.

Mr. Chairman, it is a food disposal program. It deals with commodities. It should remain with the Department of Agriculture. But to my friends of the opposition who suggest that because food is welfare and helps the people—and certainly it is—that the food stamp program should go over into the hands of

the Department of Health, Education, and Welfare, as this amendment proposes, may I say to them, do they suggest that the Veterans' Administration be turned over to the Department of Health, Education, and Welfare? The Veterans' Administration carries out some of the finest welfare programs in America, dedicated to the good and the betterment of the veteran.

Would these Members who support this amendment have the disposition of Public Law 480 products turned over to the Department of Health, Education, and Welfare? Public Law 480 has for its function the welfare of people, millions in the United States, millions abroad, and it disposes of millions of tons of food. But it is concerned with the welfare of people.

Further, Mr. Chairman, if you are consistent are you going to suggest that Public Law 480 be turned over to the Department of Health, Education, and Welfare?

Mr. Chairman, section 32 funds concern the disposition of food surpluses, perishable agricultural commodities. Its operation also helps people. Some of that food goes into the school lunch program. It is good for people. It improves the diet of children. It is welfare. Are you going to turn the operation of that program over to the Department of Health, Education, and Welfare?

Mr. Chairman, strange, it is strange, that the opposition has not suggested any of these changes.

Therefore, I must conclude that their position is not sound and that this program should be administered by the Department of Agriculture in the future as the pilot programs have been operated under the direct distribution program.

Mr. Chairman, I conclude that the arguments of the opposition, not the gentleman, but the arguments of the opposition remind me of Lowell's statement:

There comes Poe with his raven, like Barnaby Rudge;
Three-fifths of him genius and two-fifths sheer fudge.

Mr. Chairman, I call upon the Members of the Committee to defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. ANDREWS].

The question was taken; and on a division (demanded by Mr. ANDREWS of North Dakota) there were—ayes 45, noes 99.

Mr. ANDREWS of North Dakota. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ANDREWS of North Dakota and Mr. ROSENTHAL.

The Committee again divided, and the tellers reported that there were—ayes 93, noes 142.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HOEVEN

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: Page 2, line 20, strike lines 20 through 25 and insert in lieu thereof the following: "(b) the

term 'food' means any domestically produced surplus agricultural commodity (as defined in section 106 of Public Law 480, Eighty-third Congress, as amended) used for human consumption as food, except alcoholic beverages and tobacco."

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes on his amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I wonder if we cannot agree on time for debate on this amendment.

Mr. HOEVEN. There may be others on this side who want to be heard.

Mr. COOLEY. The Committee is going to rise at 2 o'clock. Let us conclude all debate on this amendment by 2 o'clock.

Mr. HOEVEN. That is all right.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close at 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, this amendment would limit the use of food stamps to food items which are produced by American farmers and are in surplus supply. From the tenor of the debate on this bill yesterday and today, I think it was rather well emphasized that this bill should be limited to surplus food items. Under this amendment, tobacco products and liquor products would continue to be ineligible as is the case both under the pilot program and under the language of the bill.

Under my amendment, foreign produced foods would not be eligible for stamps. This is in accordance with the procedure now in effect under the pilot programs. The bill proposes to allow food stamps to be used for certain imported foods. Now it does American farmers no good whatsoever to allow food stamps to be used to purchase Australian beef or Brazilian coffee or Indian tea, as the bill proposes to do.

The term "surplus agricultural commodity" is defined in section 106 of Public Law 480. This definition is a liberal one which gives the Secretary ample discretion to provide a wide variety of food products for the stamp program.

No one objects to the idea of giving our farm surplus to needy people here at home or overseas, but there is no sound basis whatsoever for making the U.S. taxpayer pay for nonsurplus foods and for foreign produced foods.

The original intention of Public Law 480 was for the disposal of surplus agricultural commodities as is evidenced by legislation we passed in the 86th Congress when we authorized a nationwide food-stamp plan. Among other things that legislation was limited only to surplus foods acquired by the Commodity Credit Corporation under the price-support program or under section 32.

My amendment is a liberalizing amendment which would include food

products which the Secretary of Agriculture finds to be in surplus. The substance of my amendment has been discussed in our committee many times—as it relates to limiting any food-stamp plan to surplus agricultural commodities. Again I say this is a liberalizing amendment which would encompass all food items which the Secretary of Agriculture found to be in actual surplus.

I urge the adoption of this amendment.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman.

Mr. HARVEY of Indiana. We have heretofore considered and we have had some rather technical definitions of products that were in surplus or credited as surplus commodities. At the present time one of the most depressing factors in our whole agricultural industry is the price of our meat products and more especially the price of beef. Could the Secretary, under the terms of the gentleman's amendment, if his amendment were adopted and the bill were enacted, classify beef as a surplus commodity and would it, therefore, be eligible to these people who come in with trading stamps?

Mr. HOEVEN. The Secretary would have wide discretion but this amendment would limit it to any domestically produced surplus agricultural commodity, which would include beef if it was determined to be in surplus.

Mr. HARVEY of Indiana. That brings me to the second phase of the question that I want to ask the gentleman which I think is the really important phase; and that is that there is being shipped into this country, as the gentleman well knows, tremendous quantities of beef.

Mr. HOEVEN. Let me say that my amendment is limited to American products—American surplus commodities which would include beef if found to be in surplus.

Mr. HARVEY of Indiana. Mr. Chairman, I move to strike the requisite number of words.

If I may, I should like to have the attention of all members of the committee. I believe this is one of the most important issues. Should the bill be enacted, and should there continue to be brought in from abroad the quantities of beef presently being brought in—which now constitute more than 10 percent of our total domestic consumption—if the beef so brought in is put on the surplus list then, in effect, there will never be any reduction or control of the surplus. Then we will continue, through the food stamp program, to have a surplus, because meat is the standard of the diet, and beef is the chief component of our meat diet.

This program, even with the amendment offered by the gentleman from Iowa—and I am in favor of the amendment and expect to support the amendment—I point out to the members of the committee, I believe will have the ultimate effect of continuing not only to subsidize but also to encourage, at the expense of the taxpayers, the importation of meat from abroad. I am much disturbed about it. I know the entire cat-

the industry of the country is likewise concerned. They can foresee the results of an effort of this kind, involving a large amount of money being spent, with a great deal of publicity given to how much the Government is spending for the beef industry, when, as a matter of fact, all we are doing is paying for imports from abroad through this device.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield.

Mr. TEAGUE of California. On page 2 of the bill the term "food" is defined to include certain things and to exclude foods which are identified on the package as being imported from foreign sources when they arrive at the retail store.

Does the gentleman consider it reasonable to expect a man behind a meat counter in a large supermarket, when the imported meat is no longer in packages and is perhaps mixed in with other hamburger, let us say, to be able to tell what was imported and what was a local product?

Mr. HARVEY of Indiana. Of course not. The meat will never get through in that form. I am sure the gentleman is as aware as I am that the meat comes mostly from Australia and New Zealand in frozen chunks. It is purchased and then processed by many of our domestic meat processing plants into luncheon meat, hamburger, and all sorts of products of that kind. Obviously, when it reaches the retail store there is no way of determining whether it has come from a domestic source or a foreign source. That is exactly why I am pointing up the weakness in the provision.

Mr. TEAGUE of California. The gentleman would agree that this provision in the bill means little, when it is carried through to final analysis? When the product reaches the retail store, the man behind the counter or the person purchasing it does not know whether it is imported or domestically produced.

Mr. HARVEY of Indiana. Not only that, but he could not be expected to.

Mr. Chairman, I yield back the remainder of my time.

Mr. HAGEN of California. I rise in opposition to the amendment.

Mr. Chairman, and members of the Committee, all this conversation about foreign meat and foreign foods is highly diversionary. The answer to the import problem with respect to beef, lamb, and other products lies in quotas, higher duties, or some form of voluntary agreement with the countries which ship those products to us. This is a problem totally irrelevant to the food stamp program.

I am highly concerned about the amendment which the gentleman from Iowa [Mr. HOEVEN] offered, because a question was asked of the gentleman as to whether this would permit the sale of meat, for example, as a surplus commodity, and his answer was, as I recall, "I imagine it would." This is small assurance to those farmers who have commodities which are in surplus and who are seeking the additional market which they would secure through this food stamp program.

I am particularly concerned with it because in California, for example, we raise many crops which do not enjoy a price support program but which are from time to time in surplus. I refer to such crops as peaches, which are a very wholesome food, and potatoes, which are a very wholesome food, and I would rather doubt, in the light of the gentleman from Iowa [Mr. HOEVEN] own statement, that these foods would be eligible if this amendment were adopted. Furthermore, this amendment or something very similar to it was considered judiciously in our committee and rejected. One of the reasons is it would create an administrative nightmare out of this program. One of the advantages of this food stamp program as contrasted, for example, with the direct distribution program is its simplicity. A man buys stamps and goes to the grocery store and shops like everyone else, and believe me there are very few foreign items in our grocery stores.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Texas.

Mr. POAGE. Will the gentleman tell us how, if the Hoeven amendment were adopted, a recipient of food stamps could buy sugar? How would he know whether that sugar came originally from Honduras or came from Hawaii?

Mr. HAGEN of California. The only way he could buy sugar would be to buy beet sugar, and I am certain that would not be pleasing to the refineries of sugar on the east coast and the gulf coast and various other parts of the country.

Mr. POAGE. But by looking at it can you tell beet sugar from cane sugar?

Mr. HAGEN of California. No. However, I think the beet sugar producers have some pride in it which I gather from the fact that they may put a label on the box.

Mr. POAGE. They unquestionably can where it says so on the label, but where it is in bulk there is no way in the world of telling it. Will the gentleman tell me how in the world under the Hoeven amendment it would be possible to buy meat—the very thing that these gentlemen have been talking about so much—with approximately 10 percent of our meat imported? We know there is going to be imported meat. About one-tenth of our meat will be imported. Generally that is ground and may be mixed in frankfurters and all sorts of things. How in the world under the Hoeven amendment could any storekeeper afford to sell any kind of meat when he would not know the place of origin?

Mr. HAGEN of California. I would say you are absolutely correct.

Mr. POAGE. Would not the Hoeven amendment take away all the possibilities of helping the livestock industry?

Mr. HAGEN of California. I would say you are exactly correct, because the grocery store would refuse to handle or to sell meat to stampholders under these circumstances. Any meat.

Mr. POAGE. Of course he would, because he would be subject to losing his permit to do business with these food

stamps. So instead of being a boom to any American producer, the Hoeven amendment simply in essence puts us right back where we were with a great deal of additional authorization and expense, because it proposes to distribute just what you are now distributing but to do it with another organization. Is that not all it does?

Mr. HAGEN of California. I agree with the gentleman.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I would like to say to the gentleman that these people on the food stamp plan pay out of their own funds their full food budget to buy these stamps, and therefore we make them spend as much for food as they usually spend on food purchases. Then after that, we give them the extra coupons to buy additional food. What the gentleman proposes is that we make these people spend their entire food budget—their own money as well as the additional food purchasing power represented by the bonus coupons—for flour, cornmeal, beef, lard, and some of these other things which they are now getting absolutely free under the direct distribution system. I oppose this amendment.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired. The question is on the amendment offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and the Chair announced that the yeas appeared to have it.

Mr. HOEVEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HOEVEN and Mr. HAGEN of California.

The Committee again divided, and the tellers reported that there were—ayes 85, noes 121.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Before declaring a recess, the Chair desires to announce that Members will assemble here in the Chamber at 2:45 p.m. and proceed to the rotunda of the Capitol for the purpose of participating in the lying-in-state ceremonies for the late General of the Army Douglas MacArthur.

Following the ceremonies in the rotunda, Members will return to the Chamber. The Chair will then call the House to order for further consideration of business pending in the House.

In other words, there will be no 15-minute bell, but the House will be called to order at that time.

RECESS

The Chair now declares a recess, subject to the call of the Chair.

Accordingly (at 2 o'clock and 6 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 55 minutes p.m.

FOOD STAMP ACT OF 1964

IN THE COMMITTEE OF THE WHOLE

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 10222, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose, the Clerk had read through section 3, line 6, page 4 of the bill. If there are no further amendments to this section, the Clerk will read.

The Clerk read as follows:

ESTABLISHMENT OF THE FOOD STAMP PROGRAM

SEC. 4. (a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of an appropriate State agency, eligible households within the State shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than their normal expenditures for food. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

(b) In areas where a food stamp program is in effect, there shall be no distribution of foods to households under the authority of any other law except during emergency situations caused by a natural disaster as determined by the Secretary.

(c) The Secretary shall issue such regulations, not inconsistent with this Act, as he deems necessary or appropriate for the effective and efficient administration of the food stamp program.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: Page 4, lines 21 through 25, strike out all of lines 21 through 25.

Mr. JONES of Missouri. Mr. Chairman, the amendment I have offered has two purposes. Under the present pilot food stamp program the regulations provide that where a food stamp program is in effect there shall be no direct distribution of food. In other words, in many localities in the United States we have at the present time what we call the direct distribution of surplus commodities. Those commodities are confined to commodities which have been obtained by the Commodity Credit Corporation and which are not only in surplus but on which the Federal Government is paying storage charges.

Here is the reason I offer this amendment: This particular subsection constitutes a prohibition against distributing any of the surplus commodities in areas where a food stamp program is in effect. Actually, I do not understand completely what is meant by an area. I can envision a county which would be constituted as an area and designated by the Secretary for the implementation of a food stamp program which would replace the direct distribution of commodities, while in other counties only one city might be designated as an area.

As I stated yesterday, in the city of St. Louis prior to the time that the pilot food stamp program was put into effect, there were more than 63,000 persons who were receiving food through the direct distribution. They were receiving flour, they were receiving cornmeal, they were receiving dried milk, they were receiving rice, they were receiving cheese and butter. Those were the more commonly used commodities and the ones that were in greatest surplus.

At other times, as the Secretary would determine that it was advisable to use section 32 funds for buying up other commodities, which might include meat, which could include citrus fruits, which could include other items, they would be added to the direct distribution.

When the food stamp program went into effect in the city of St. Louis there were only a small number of persons who participated in the food stamp program. At the end of 14 months and by using every inducement possible to increase the use of food stamps to include a larger number of people there were slightly more than 11,000 of these 63,000 who were being fed through the food stamp program. What happened? There were 52,000-odd people who were obtaining relief through the receipt of surplus commodities with which they could keep body and soul together and which, while it was not an ideal diet, was a substantial diet that permitted those families to live.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. JONES of Missouri was allowed to proceed for 5 additional minutes.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from North Carolina, the distinguished chairman of the Committee on Agriculture.

Mr. COOLEY. If the gentleman's amendment is adopted, is it the gentleman's understanding that the Secretary of Agriculture would still have complete discretionary power to put the food stamp program into effect in a particular area and at the same time have direct distribution there?

Mr. JONES of Missouri. That is, if he deemed that it was desirable and if he deemed that it was necessary to supplement the food stamp program with a direct distribution, he would have that discretionary power.

Mr. COOLEY. With that understanding, that the Secretary would exercise that discretion in unusual circumstances, as the gentleman has indicated, I have no objection to the gentleman's amendment. I think I know what the gentleman has in mind. I know that in one place in Missouri they have the food stamp program, in St. Louis, and outside of St. Louis they have direct distribution. There may be places where the Secretary would feel he would be justified in having both programs operating in the same area at the same time.

Mr. JONES of Missouri. If the gentleman will permit me to say this, in other words, using this as an example, in my home county in the month of January there were some 8,000 individuals who were receiving direct distribution of food.

That is a seasonal operation. Living in the agricultural area that I do, from late November until about the first of April, until farm operations start again, we have large numbers of people, many of them colored, and also many white people who are unable, because they have no income, to spend \$4 which is the minimum under the regulations in the State of Missouri at the present time. They have to buy \$4 worth of stamps. That is the minimum before they can get \$20 worth of free stamps to give them a total of \$24.

Mr. COOLEY. And that is all because they have no income?

Mr. JONES of Missouri. Yes, that is because they have no income.

Mr. COOLEY. And because they are not on public charity or public relief; is that not correct?

Mr. JONES of Missouri. That is right.

Mr. COOLEY. With that understanding, I do not have any objection to the gentleman's amendment. I know what prompted the committee's action in this respect, and it was either in the subcommittee or in the full committee, because they did not think it was well to have two programs going on at the same time in the same area.

With the understanding that the Secretary will have discretion in the matter I have no objection to the amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman.

Mr. MICHEL. Yesterday during the debate, we heard the gentlewoman from Missouri say that one program was going to replace the other. In other words, it was not going to end up in a net increase in cost. What is the gentleman's position or what is his feeling with respect to the eventual cost of having two programs operating in the same area.

Mr. JONES of Missouri. Frankly, I think under these circumstances and in this instance that I am speaking about, I think it would actually wind up costing less. I say that for this reason. In those areas the Government already handles the surplus commodities. Where we have storage charges on commodities that can deteriorate and go out of condition, I think it is in our interest to try to utilize them to the full extent. Further on in the bill there is an amendment that I was able to have adopted in the committee stressing the fact that in the operation of this program we were to encourage continued use of those commodities in surplus supply. Then I added, "So as not to reduce the total consumption of surplus commodities which have been made available through direction distribution."

All I am trying to do is to get this bill in shape so that the Secretary will understand we are trying to use to the fullest extent the surplus commodities and to use the food stamps to supplement the income to do that. I do not anticipate that you will have many areas where you will have both programs in operation at the same time.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that debate on the pending amendment and all amendments thereto do now close since there is no objection to the gentleman's amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The amendment was agreed to.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

(Mr. LAIRD asked and was given permission to speak out of the regular order.)

(Mr. LAIRD asked and was given permission to revise and extend his remarks.)

Mr. LAIRD. Mr. Chairman, I have watched with a great deal of interest the various interpretations carried on the ticker in the Speaker's lobby of the United Press International, and the Associated Press regarding the outcome of the Wisconsin presidential preference primary. Members of the other body have stated the vote received by Governor Wallace, of Alabama, was due to

crossovers of Republicans voting for the Governor of Alabama.

There were crossovers in that Wisconsin presidential preference primary, as there always are when there is no contest on the Republican ticket and there is a contest on the Democratic ticket. I would estimate, however, that Reynolds and Wallace shared in these crossover votes. The highest percentage of votes for Governor Wallace was in the strong Democratic Milwaukee County area. In my district and in the other outstate districts, Governor Wallace received about 20 percent of the votes. When the votes were counted in the strong Democratic strongholds such as Milwaukee County—Governor Wallace's vote ran as high as 31 percent. As an example, let us look at the 14th ward of Milwaukee where the late President Kennedy received 84 percent of the vote in the 1960 general election. Yesterday Governor Wallace received 30 percent of the vote in this ward.

In the six strongest Republican counties in the 1960 Wisconsin general election we find that the percentage of votes received by Governor Wallace was the smallest. In each of these counties Nixon received more than 65 percent of the votes in 1960. In these Republican counties, Wallace ran far behind his statewide average. The six counties and the percentage of votes received by Wallace are as follows: Green, 17.9 percent; Marquette, 22.2 percent; Shawano, 20.4 percent; Walworth, 22.6 percent; Wau-paca, 19.4 percent; and Waushara, 23.0 percent.

To say that this vote was a crossover vote of Republicans is certainly not reading the election results correctly. I know that in my particular congressional district there were Republicans who voted for Governor Reynolds who do not plan to do so in November.

All we have to do is to look at the 14th ward of Milwaukee, to look at the votes in the city of Milwaukee and in the county of Milwaukee, to discount these reports which are being disseminated throughout the United States today.

The election record and the percentage votes have not been properly analyzed. We Republicans are used to getting blamed, but let us not take the blame for what is happening to the Democrats.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. I wish to say that Governor Wallace conducted himself in an upright manner in the gentleman's State. He is an able man. He is an honest man. He is a Christian gentleman. He discussed possibly only one issue—the civil rights issue.

In my opinion, the phenomenal success which Governor Wallace had, bucking the Federal Government and the State government of Wisconsin, was due to the dissatisfaction of the thousands of people in Wisconsin with the civil rights bill.

Mr. LAIRD. I might say to the gentleman from Alabama that I would have to disagree with him in his interpretation of the effect of the civil rights bill. I believe it was a protest against Governor Reynolds' program for Wisconsin.

Governor Reynolds had a program for highway acceleration on the primary ballot. This Reynolds program was defeated by an almost 8-to-1 vote, according to this report which I have before me.

I might add that I voted for my colleague, Congressman JOHN BYRNES, who received an amazing vote for a completely uncontested Republican slate—there was only one place to mark a Republican ballot. BYRNES received, as a strictly favorite-son candidate, the same percentage vote which Richard Nixon received in 1960 in the presidential preference primary; and Richard Nixon then went on to carry the State in the 1960 general election. There are several newspaper accounts comparing BYRNES' vote yesterday with Nixon's general election vote in 1960. I might suggest that these reporters compare BYRNES' and Nixon's primary vote instead.

I add that both Senator HUMPHREY and the late President Kennedy were in Wisconsin in 1960, and they were urging Republicans to cross over in the 1960 presidential primary.

AMENDMENT OFFERED BY MR. HOEVEN

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: On page 4, line 8, strike the word "The" and insert in lieu thereof the words "During the period ending June 30, 1967, the".

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, the bill we are now considering is permanent legislation. Let us keep that in mind. However, it only carries an authorization for appropriations for the present and the next 3 fiscal years. This authorization expires on June 30, 1967, which is the end of fiscal year 1967. My amendment would simply make the program conform to the authorization termination. There is no reason for the program to be permanent when the authorization for funds is only for 3 years. At the end of this 3-year period Congress should have the opportunity completely to review the program. Please remember that we already have a pilot plan program in force and effect and this bill is intended to embrace all 50 States. Most certainly at the end of a 3-year period we should have a chance to review both the authorization and legislation itself. I realize an argument can be made that the Congress will have a chance to review the program when the authorization expires, but with my amendment it will be clear that the program itself will expire. We will therefore not be committing ourselves to this program in perpetuity. I do not think this committee wants to do that. Certainly we should review the legislation at the expiration of a reasonable time, to wit, 3 years, as I propose, which is in conformity with the authorization termination date. I would like to know what is wrong with that kind of proposal, and I urge the adoption of my amendment.

Mr. HAGEN of California. Mr. Chairman, I rise in opposition to the amend-

ment. The subject of a review after a period of years of this program was discussed in the subcommittee, and it was unanimously determined that the best way to handle this would be through having a terminable authorization for the appropriation of money. One reason for this is that some States may have to pass laws to implement their participation in this program, and it would be much more difficult to secure this cooperation from the States for a program that would be absolutely off the books at the end of the period provided by the gentleman from Iowa's [Mr. HOEVEN] amendment, whereas it would be a much more likely prospect to pass such legislation at the State level with only a terminable money authorization. As far as the matter of review is concerned, you get the same amount of review reviewing the money authorization as you do under the Hoeven amendment, and it was deemed in our subcommittee that this was a less desirable way to handle this particular problem. However, at the least, you might say the gentleman from Iowa's [Mr. HOEVEN] amendment accomplishes nothing but has a potential damage as far as securing the necessary cooperation from the States who are partners in this program. I might say that it might also pose a threat to some of these pilot programs which are now in operation and which might be continued even though we did not continue the money authorization for this broad-scale program. So I want to point out to those of you who have pilot programs in their area that you should look askance at this particular amendment. I urge its rejection.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Illinois.

Mr. FINDLEY. Under the amendment offered is it not possible to combine both the extension of the program and the extension of the authorization? Could that not be done in a single bill?

Mr. HAGEN of California. Well, it could, but we deemed it more advantageous to handle it in this way. I think it poses a certain danger, and the gentleman from Iowa's [Mr. HOEVEN] language poses additional dangers to these pilot programs which serve these hard core unemployment areas and which the Congress might want to keep in operation even though we abandoned this broad-scale program in June 1967. There is not enough to be accomplished by the gentleman's amendment to risk that danger, in my judgment.

Mr. FINDLEY. Mr. Chairman, if the gentleman will yield further, was he not arguing earlier that if the bill today is not enacted there is risk that the pilot programs will be dropped completely?

Mr. HAGEN of California. There is that risk.

Mr. FINDLEY. Does the gentleman expect that that will happen?

Mr. HAGEN of California. I think the risk will be greater with the amendment proposed. I think these pilot programs are not going to be continued indefinitely. By their very nature they are pilot

programs. This is one reason why we need this legislation even in those areas where they now have programs. I would say that with the amendment proposed it would be certain that these pilot programs would be abandoned after 1967 in the event there were no further legislation enacted.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. MICHEL. If you do not have a termination date then the gentleman is saying in effect that this is a permanent program from now until doomsday. As I understand it, No. 1, we are trying to get rid of agricultural surpluses, commodities which are in oversupply; and No. 2, this is one of the facets of the war on poverty. If the war on poverty is not going to prove successful between now and 1967, the gentleman is saying that it will not be ended at that time and we are going to have it forever. Then it becomes simply a Federal relief program.

Mr. HAGEN of California. I doubt that we will have to worry about its being continued forever. The authorization for money expenditure makes it terminable. In addition, the experience with the food stamp program in the 1930's and 1940's was that it phased itself out. The prior program ended in 1943 because the state of the economy was such in terms of jobs and income that it was no longer necessary.

And if our economy improves to the point where we do not have these numbers of people with low income or no income then there will be no need for the program. It will just phase itself out.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman.

Mr. POAGE. Does the gentleman know of anything that is more variable than a permanent Agriculture Act?

Mr. HAGEN of California. I agree.

Mr. MICHEL. Mr. Chairman, I would have to disagree with the gentleman. I think if we have the opportunity to end this program in 3 years we ought to do it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and on a division (demanded by Mr. HOEVEN) there were—ayes 65, noes 76.

Mr. HOEVEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HOEVEN and Mr. MATTHEWS.

The Committee again divided, and the tellers reported that there were—ayes 82, noes 113.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOEVEN. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 35 minutes.

Mr. HALLECK. Mr. Chairman, I make the point of order that that motion is not in order.

Mr. COOLEY. Mr. Chairman, I withdraw my motion.

The Clerk read as follows:

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

ISSUANCE AND USE OF COUPONS

SEC. 6. (a) Coupons shall be printed in such denominations as may be determined to be necessary, and shall be issued only to households which have been duly certified as eligible to participate in the food stamp program.

(b) Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program at prices prevailing in such stores: *Provided*, That nothing in this Act shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores.

(c) Coupons issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose and define their denomination. The name of any public official shall not appear on such coupons.

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 7. (a) The face value of the coupon allotment which State agencies shall be authorized to issue to households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households with an opportunity more nearly to obtain a nutritionally adequate diet.

(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as is determined to be equivalent to their normal expenditures for food.

(c) The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs.

(d) Funds derived from the charges made for the coupon allotment shall be promptly deposited in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 8. (a) Regulations issued pursuant to this Act shall provide for the submission

of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under the food stamp program and for the approval of those applicants whose participation will effectuate the purposes of the food stamp program. In determining the qualifications of applicants there shall be considered among such other factors as may be appropriate, the following: (1) the nature and extent of the retail or wholesale food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant retail food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval.

(b) Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. Regulations issued pursuant to this Act shall provide for safeguards which restrict the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(c) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the food stamp program may obtain a hearing on such refusal as provided in section 13 of this Act.

REDEMPTION OF COUPONS

SEC. 9. Regulations issued pursuant to this Act shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department.

ADMINISTRATION

SEC. 10. (a) All practicable efforts shall be made in the administration of the food stamp program to insure that participants use their increased food purchasing power to obtain those staple foods most needed in their diets, and particularly those in abundant or surplus supply. In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted.

(b) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons: *Provided*, That the State agency may, subject to approval by the Secretary, delegate its responsibility in connection with the issuance of coupons to another agency of the State government. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations.

(c) In the certification of applicant households for the food stamp program there shall be no discrimination against any household by reason of race, religious creed, national origin, or political beliefs.

(d) Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under

the provisions of this Act or the regulations issued pursuant to this Act.

(e) The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may by regulation be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; and (4) for the submission of such reports and other information as may from time to time be required.

(f) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, he shall inform such State agency of such failure and shall allow the State agency a reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary shall direct that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as satisfactory corrective action has been taken.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 9, line 6, after "particularly" insert "to encourage the continued use of."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 9, line 7, strike out the period and insert "so as not to reduce the total consumption of surplus commodities which have been made available through direct distribution."

Mr. QUIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask the Chairman a question. What will be the need for this committee amendment now that the Jones amendment has been adopted? What would the meaning of it be now that the Jones amendment is adopted?

Mr. COOLEY. It probably would not be needed since the Jones amendment was adopted. Perhaps the gentleman from Missouri would like to answer the gentleman.

Mr. JONES of Missouri. The reason I think this should be in the bill is because what we are doing here in section 10 is trying to give some instructions and to impress upon the Secretary that we want to continue to use to the fullest extent possible the commodities that are in surplus and we also are trying to have

him write his regulations so that we will not reduce the total consumption of the surplus commodities that we already have and which have been put out through direct distribution. I did not think it was practical to try to get it in the bill because they told me about the difficulties of administration, but I am still in contact with the Department, trying to get the Department to get two kinds of stamps here. I would like to see this food stamp program worked with two different kinds of stamps and maybe two-thirds or three-fourths of those stamps would be only for commodities or derivatives of commodities that are in surplus supply. That is the reason I think this language here or even stronger language—and this is about as strong as we were able to get in the bill in committee—but as I say, that is the reason I think this language should be included. It helps but it does not go as far as I would like to see it go, but I would certainly like to see it there because I think it is a directive to the Secretary.

Mr. QUIE. Do you conceive of some family using both the food stamp plan and direct distribution if no two colored stamps are made available?

Mr. JONES of Missouri. No, I do not.

Mr. QUIE. It would just be in the community.

Mr. JONES of Missouri. I think so—but not by the same family using direct distribution and the food stamps—no.

Mr. QUIE. In other words, with this language in, if the food stamp program would not keep up the distribution of surplus food, they would be practically required to keep the direct distribution program going in the county.

Mr. JONES of Missouri. Either in the county or in some way. Of course, you are going to find a lot of places that will not take the food stamp in preference to direct distribution. Unfortunately, you do not have a uniform operation of the food stamp program in every State. You also do not have the same type of direct food distribution in every State. The cost in some areas is borne by the county government and in some borne by the State government and in some borne by the city government, and you are going to find there are so many different types of programs there is no uniformity about it. The thing that worried me is this. In some areas, I think in the area I represent, some county courts would be inclined to want to take the food stamp plan rather than the direct distribution because it would relieve them in the case of my home county of spending about \$8,000 a year. With a small budget, that is a great saving to them and they would do away with the direct distribution and go to the food stamp plan and let the Federal Government pick up the tab. But there would only be about 20 percent to 25 percent of the people being served under the direct distribution actually that would be served under the food stamp plan if the prediction of the State director of welfare is correct; and he is basing that prediction on what has happened in St. Louis. So that is the thing I have been worried about happening,

but with the pressure on the county court to get out from under the cost and the pressure they will receive from the retail and wholesale food distributors to go to the food stamp plan rather than to direct distribution. Those two things, I think, would influence a lot of the county courts.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. COOLEY. I do not see how the language in the bill or in the committee amendment could possibly be harmful. I agree with the gentleman from Missouri [Mr. JONES] that it may not be necessary, but it will certainly not be harmful because as has been suggested, we are trying to encourage the use of surplus foods.

Mr. QUIE. It may mean that they would be encouraged to use the two programs, but I will not object to this committee amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. HUTCHINSON

Mr. HUTCHINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUTCHINSON: Page 9, line 17, after the words "subject to", strike out the words "approved by the Secretary" and insert the words "State law".

Mr. HUTCHINSON. Mr. Chairman, yesterday in the general debate I mentioned a problem which came to my mind, and I stated I would offer an amendment at this time to correct it. I hope that the amendment will not be controversial. I hope it involves something almost an oversight in the drafting of the bill.

The State agency which is to be vested by this bill with assuming the responsibility for the certification of households and for the issuance of coupons would be given the power to delegate its authority to another agency of the State government. I submit that would be an interference with the internal operations of a State.

If I were sitting as a member of a State legislature—and I did for many years—and if I had voted for an appropriation to a State welfare department for the purpose of administering its part of this food stamp program, and then it was called to my attention in the middle of a fiscal year that the State welfare department had decided to delegate its function to another department of the State government, without the consent of the legislature, I would believe that to be an affront not only to the legislature but also to the State government itself.

For that reason I offer an amendment to provide that any delegation by the State agency, which, under this bill, is to be given initial responsibility to carry out the program, be under the State law.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Exactly what does the amendment mean?

Mr. HUTCHINSON. The amendment means, Mr. Chairman, that if the State welfare department, which would have initial authority under the bill to certify the households and to issue the certificates, wished to delegate responsibility in connection with the issuance of coupons to another agency of the State government, it could do that only if it had consent under the State law to do so.

Mr. COOLEY. This is subject only to approval of the Secretary. That is how they could do it under the bill.

Mr. HUTCHINSON. That is correct.

Mr. COOLEY. The gentleman wishes to have it subject to State law?

Mr. HUTCHINSON. That is correct, Mr. Chairman.

Mr. COOLEY. Suppose it were made subject to State law, and suppose there were no State law dealing with this subject.

Mr. HUTCHINSON. There always will be a State law, Mr. Chairman, because the appropriation will be by State law for the administration of the program at the State level.

Mr. COOLEY. No; the State of North Carolina has never appropriated money to run the food stamp program in my home county. The county does that.

Mr. HUTCHINSON. Mr. Chairman, the bill provides that the State shall carry on the administration of the program. That is the provision under this bill. The cost of the administration of the program will be a State responsibility.

Mr. COOLEY. Yes; in some instances the gentleman is entirely correct. In other instances, the State could not force the program on any county unless the county appropriated money to run the program.

I visualize a possibility, if the amendment is adopted, that we might find there was no State law dealing with the subject of food stamps.

Mr. HUTCHINSON. I believe it would be the responsibility of the State to have one. If the State is to accept the program, it should have some law to cover it.

Mr. COOLEY. I have no objection to accepting the amendment with the statement that I still do not understand how to evaluate the amendment. I shall be glad to take it and go to conference with it and try to do the best we can with it. I do not want to have anything contrary to the intent and purpose of the whole law.

Mr. HUTCHINSON. I assure you, Mr. Chairman, this is not offered in any desire to cripple. My desire is merely to preserve some State rights.

Mr. COOLEY. With that statement, I will accept it.

Mr. HUTCHINSON. Thank you, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HUTCHINSON].

The question was taken; and on a division (demanded by Mr. HUTCHINSON) the amendment was agreed to.

AMENDMENT OFFERED BY MR. LEGGETT

Mr. LEGGETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEGGETT: Sec. 10, Page 11, After line 19, add the following: "SEC. 10(g). The Secretary shall apportion the funds available for the carrying out of the purposes of this Act to the States on the basis of the State's population in proportion to the total national population."

Mr. LEGGETT. Mr. Chairman and members, this amendment I have is very simple. I support the bill and I am trying to make it a better bill. I genuinely believe we have poor people throughout the entire United States and the State of Alabama, or Mississippi, or the State of Michigan, or the State of Pennsylvania do not have any particular hold on it. It may be in percentages that some of us may be worse off than others, but this bill will not help everybody. It will provide basic assistance to a lot of poor people and since we can only do about 10 percent of the work that needs to be done, I think its benefits ought to be ratably apportioned throughout the United States. It has come to my attention that this bill is intended to replace or partially to replace the direct distribution program. Therefore, I had the Department of Agriculture aggregate the assistance given by States under the direct distribution program apportioned throughout the entire United States under the needy persons distribution program. There has been some talk about discrimination here, but I find there was none so far as the South is concerned. I was amazed to find that in the State of Alabama they received some \$5.9 million under the direct distribution program in fiscal year 1963. The State of Arkansas got \$7.5 million. My great State of California, which has a lot of poor people and also has 10 percent of the population of these United States got \$1.2 million. The State of Florida got \$2.6 million. Georgia received \$2.3 million. The great State of Illinois received \$4 million. Louisiana received \$6.3 million, and the State of Massachusetts received \$331,000. The State of Alaska received nothing and the State of Hawaii received nothing. The Territory of Puerto Rico received \$14 million, the largest recipient, I believe, outside of the States of Pennsylvania and New York, which did qualify for nearly \$20 million under this program.

So I think as far as helping numbers of people, in the State of Alabama they helped 123,000 people under the direct distribution program for needy families and 122,000 in Arkansas, 16,600 in my great State of California, 105,000 in Florida, 217,000 in Kentucky, and 197,000 in the State of Mississippi.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from North Carolina, the chairman of the committee.

Mr. COOLEY. If any community or State did not receive direct distribution of food, it was only because it did not ask for it and it did not provide for the administration of the program.

Under the gentleman's amendment you would not have regard for the need of the particular area, but you would

just apportion it among the States based upon population, regardless of economic status. If we accept the gentleman's proposition we disregard the need. I think the amendment is a very bad one and I hope it will be defeated.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman.

Mr. JONES of Missouri. On the basis on which the gentleman has offered his amendment, he might offer another amendment and say that the distribution of defense contracts ought to be on a population basis. That would have about the same amount of reasonableness in it, would it not?

Mr. LEGGETT. No; defense contracts are not based on poverty, but on ability to perform the job.

Mr. JONES of Missouri. But the poverty is caused because all of the defense contracts are out there and in California they do not have as many poor people and do not have the need for a program of this kind. If the gentleman wants to distribute this Government money according to his amendment, let us distribute the defense contracts among the various States in the same way. Then we will not have the need.

Mr. LEGGETT. If the gentleman will look at the way we are distributing the accelerated public works program, and so forth, he will see the vast need that there is in the State of California.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman.

Mr. OLSON of Minnesota. Mr. Chairman, what the gentleman is saying by his amendment is that poor people reside in exact proportions in every State in this Nation. I am quite sure the gentleman would agree with me that that is not so and that there are areas of greater need. Certainly Appalachia is a good illustration of this. You might earmark funds for a State that did not choose to use them and exclude funds from another State.

The CHAIRMAN. The time of the gentleman from California [Mr. LEGGETT] has expired.

The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

The Clerk read as follows:

Page 11, line 20:

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 11. Any approved retail food store or wholesale food concern may be disqualified from further participation in the food stamp program on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as may be determined in accordance with regulations issued pursuant to this Act. The action of disqualification shall be subject to review as provided in section 13 of this Act.

DETERMINATION AND DISPOSITION OF CLAIMS

SEC. 12. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny

all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 13. Whenever—

(a) an application of a retail food store or wholesale food concern to participate in the food stamp program is denied,

(b) a retail food store or a wholesale food concern is disqualified under the provisions of section 11 of this Act, or

(c) all or part of any claim of a retail food store or wholesale food concern is denied under the provisions of section 12 of this Act, notice of such administrative action to be issued to the retail food store or wholesale food concern involved. Such notice shall be delivered by certified mail or personal service. If such store or concern is aggrieved by such action, it may, in accordance with regulations promulgated under this Act, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available, shall be reviewed by the person or persons designated, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect fifteen days after the date of the delivery or service of such final notice of determination. If the store or concern feels aggrieved by such final determination he may obtain judicial review thereof by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business, or in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as he may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless an application to the court on not less than ten days' notice, and after hearing thereon and a showing of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

AMENDMENT OFFERED BY MR. COOLEY

Mr. COOLEY. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 12, line 24, strike out "to be issued" and insert "shall be issued".

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

The Clerk read as follows:

VIOLATIONS AND ENFORCEMENT

SEC. 14. (a) Notwithstanding any other provisions of this Act, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(b) Whoever knowingly uses, transfers, acquires, or possesses coupons in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(d) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8.

COOPERATION WITH STATE AGENCIES

SEC. 15. (a) Each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act. Except as provided for in subsection (b) of this section, such costs shall include, but shall not be limited to, the certification of households; the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; and the issuance of such coupons to eligible households and the control and accounting therefor.

(b) The Secretary is authorized to cooperate with State agencies in the certification of households which are not receiving any type of public assistance so as to insure the effective certification of such households in accordance with the eligibility standards approved under the provisions of section 10 of this Act. Such cooperation shall include payments to State agencies for part of the cost they incur in the certification of such households. The amount of such payment to any one State agency shall be 50 per centum of the sum of: (1) the direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such postinterview field investigations as are necessary to certify the eligibility of such households, and of the immediate supervisor of such personnel, for such periods of time as they are employed in certifying the eligibility of such households; (2) travel and related costs incurred by such personnel in postinterview field investigations of such households; and (3) an amount not to exceed 25 per centum of the costs computed under (1) and (2) above.

APPROPRIATIONS

SEC. 16. (a) To carry out the provisions of this Act, there is hereby authorized to be

appropriated not in excess of \$25,000,000 for the fiscal year ending June 30, 1964; not in excess of \$100,000,000 for the fiscal year ending June 30, 1965; not in excess of \$175,000,000 for the fiscal year ending June 30, 1966; and not in excess of \$250,000,000 for the fiscal year ending June 30, 1967. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act.

(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section.

(c) If the Secretary determines that any of the funds in the separate account created under section 7(d) of this Act are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.

(d) Amounts expended under the authority of this Act shall not be considered amounts expended for the purpose of carrying out the agricultural price-support program and appropriations for the purposes of this Act shall be considered, for the purpose of budget presentations, to relate to the functions of the Government concerned with welfare.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 13, strike out "\$100,000,000" and insert "\$75,000,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 14, strike out "\$175,000,000" and insert "\$100,000,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 16, strike out "\$250,000,000" and insert "\$200,000,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 23, strike out subsection (b) and insert the following:

"(b) Any State which requests to participate in the food stamp program shall be required, from funds available to the State or political subdivision thereof, to make reimbursement payments to the United States in an amount equal to 50 per centum of the value of those coupons issued to households within the State which is in excess of the value of coupons for which such households are charged. Such reimbursement payments shall be deposited into and made a part of the separate account created in section 7(d) of this Act. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons: *Provided*, That, in any fiscal year, the Secretary shall limit the value of those coupons issued which, in ex-

cess of the value of coupons for which households are charged to an amount which is not in excess of the sum of the following: (1) the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section; and (2) the amount of the reimbursement payments deposited by States into such separate account during such fiscal year."

AMENDMENT OFFERED BY MR. REIFEL

Mr. REIFEL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. REIFEL to the committee amendment: Page 18, line 4, strike out the word "Any" in the first sentence and insert in lieu thereof the words "Except eligible Indians on Federal Indian reservations, any".

(Mr. REIFEL asked and was given permission to revise and extend his remarks.)

Mr. REIFEL. Mr. Chairman, under the committee amendment States would be required to pay one-half of the value of the free stamps in order to participate in the food stamp program.

Eligible Indian recipients living on Federal Indian reservations are basically the responsibility of the Federal Government. It is not reasonable to expect the States to assume one half the cost of this responsibility.

Therefore the amendment to the committee amendment exempts the States from the cost of one-half of the free stamps when a program is established on an Indian reservation.

There are 22 or 23 States of the Union that have Indian reservations, where the Indians are generally the responsibility of the Federal Government with respect to schools, hospitals, roads, and other services.

This amendment should prevail, and the Federal Government should assume the full responsibility for the value of the stamps.

Mr. QUIE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Dakota to the committee amendment.

Mr. Chairman, I think this is an acceptable amendment. The Indians who are on reservations surely are a responsibility of the Federal Government and not of the States. We have just heard this morning in the Committee on Education and Labor the testimony of the Secretary of the Interior, who stated that these people are poverty stricken. If ever there was an area where there is a need for the distribution of surplus food, this is that case. I think if there is a food stamp plan established the Indian should be included. I am surprised that no reservation was included in the pilot program.

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the answer to this amendment is to beat the entire Quie amendment. Then there will be no need for this amendment to the committee amendment. This 50-percent amendment will destroy the purposes of this bill. It will be impossible for this bill to be put into operation in many areas where it is most needed. It will start a practice which, in my judgment, will

be very unwise. I submit that we should vote down the entire proposition, the entire Quie amendment. That will take care of the other matter.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I appreciate the gentleman's yielding to me because I concur 100 percent with what he says. There are thousands of Indians living in my district, just as there are in the district of the gentleman from Oklahoma [Mr. ALBERT]. Is it not true that the wording of the amendment offered by the gentleman who has just offered the amendment to the Quie amendment would draw a distinction between those Indians who are on reservations and those Indians who are on allotted or other trust lands, who are equally the responsibility of the Government?

Mr. ALBERT. The gentleman is correct. Here we would be giving one Indian ward of the Government an advantage over another ward of the Government because the latter does not live on a reservation.

Mr. REIFEL. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from South Dakota.

Mr. REIFEL. The intent of my amendment is to include all Indians who are the Government's responsibility.

Mr. ALBERT. The gentleman's amendment does not say so. The gentleman's amendment limits the use of 100 percent of Federal funds to Indians living on reservations. A large number of them do not live on reservations.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. REIFEL] to the committee amendment.

The question was taken; and on a division (demanded by Mr. QUIE) there were—ayes 65, noes 90.

So the amendment to the committee amendment was rejected.

Mr. QUIE. Mr. Chairman, I move to strike out the last word.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I rise in support of the committee amendment. I think the committee took wise action when it adopted the amendment which I offered which provides that the States shall pay 50 percent of the cost of the food stamp plan. As has been said many times during the debate, this is now a welfare program. It is even more so than the direct distribution plan.

Whenever we have had a welfare program, as is indicated by a letter from the Library of Congress in the views which I presented on this bill, the Federal Government has only paid a portion of the cost and the State has paid a portion of the cost. The average of all the welfare programs has been 60 percent Federal and 40 percent by the State or local community. This is a time-honored and time-tested principle of welfare pro-

grams. This is what we are trying to do in this food stamp program. We have a direct distribution program which will go on into the future. That is not stopped. It is not terminated. It is not repealed by this legislation. We have a food stamp plan on the books—permanent legislation—100-percent financed by the Federal Government which comes out of section 32 funds. This goes on. Any poor State or community can receive food from direct distribution or the present food stamp plan. However, in this program, which provides that the food stamp plan can be spread over the entire United States depending on the generosity of the Congress, a sense of responsibility must be kept by the States. So, the State will be required to pay 50 percent of the cost.

The States can afford to do it. Just look at the States that are now receiving the food stamp plan. These are listed on page 9. Look at those States. Are the poor States like Mississippi or South Carolina, the two poorest States, listed here? No, they do not have stamp programs. States like California, Illinois, and Indiana are of the highest per capita income States in the Nation and they receive food stamps. Are they not able to pay a portion of the cost? They are more able to pay than the Federal Government is, which is having trouble receiving enough revenue and keeping in the black. We have been in the red for years. I believe the principle of State participation must be kept.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to my chairman.

Mr. COOLEY. The gentleman's own State of Minnesota has three food stamp programs in operation in three counties. You heard your colleague make a speech during the debate to the effect that those counties could not participate in the program on the basis contemplated by the gentleman's amendment.

Mr. QUIE. This is just not correct. You know in Minnesota we do have some poverty stricken counties and they cannot take care of their share of welfare costs—and they do not. The State legislature meets and pays a portion of every Federal welfare program like old age assistance, aid to dependent children, aid to the blind, and any of the other Federal welfare programs in the State. And it is with the generosity and help from my part of the State, which is not poverty stricken, the northern part of the State is helped and this help will continue.

There will always be some financial limits on the part of the Federal Government. In respect to all of these welfare programs, we have accepted the principle that if the State and Federal governments share, there will be more money available to take care of the welfare costs.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to my colleague from Minnesota.

Mr. OLSON of Minnesota. I would suggest that the ratio the gentleman has suggested for the matching by State and local governments with the Federal Gov-

ernment is such that it might be incumbent upon us to be aware of the fact that the individual citizen who participates in the food stamp program will have to put up 40 percent. He, in effect, will represent the local and State governments. On top of that, the State government will do all the administration. It certainly is a matching program.

Mr. QUIE. As the gentleman knows, in the old age assistance program, the recipient of old age assistance puts up a portion of the money. The Federal and State governments do not pay it all. The recipients pay what they can, and above that the State and Federal governments pay whatever else is needed to bring the person up to the income level desired.

That is the way these programs work.

Let us consider the poverty program, now before the Committee on Education and Labor, which is called the "war on poverty." Have they accepted that time honored principle of State and Federal sharing? Yes, they have. The pilot operation for the first 2 years will provide for the Federal Government to pay for 90 percent and the States to pay for 10 percent.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent (on request of Mr. ALBERT), Mr. QUIE was given permission to proceed for an additional 3 minutes.)

Mr. QUIE. In the poverty program, after the first 2 years, the Federal Government will pay 75 percent of the cost and the States will pay 25 percent of the cost.

That is the way this program should work. We will continue to have the pilot food stamp program, with the Federal Government paying 100 percent of the cost. Surely we should be able to follow through with the broad new program in which the States will pay a share of the cost.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the majority leader.

Mr. ALBERT. Mr. Chairman, I have been advised that the Department of Health, Education, and Welfare has made a survey among the States participating in the food stamp program and has learned that the welfare directors in these States, while greatly in favor of the food stamp program, are working hard to meet other needs, such as medical care, housing, and so forth, and are not staffed or able to devote the time and effort necessary toward working for a budget needed to meet a 50-percent matching fund for food stamps. I feel that the gentleman's amendment would place a burden on the welfare departments of our States and a burden upon other programs, which would make it quite difficult for them to administer all the other programs as they are now administering them.

Mr. QUIE. The gentleman could make the same statement in respect to the poverty program, if that ever gets to the floor. The gentleman could say that it would be too much of a burden for the States to carry part of that pro-

gram. Surely we do not expect them to say that they are willing to take on the burden if anyone suggests that the Federal Government pay it all. They naturally answer that they need all the Federal money they can get. That is a natural answer.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the minority leader.

Mr. HALLECK. I support the gentleman's amendment. In connection with that I should like to make the general observation that for too long we in this country have followed the dangerous path of believing and of asking the people to believe that if they get money out of Washington it is free, it does not cost anybody anything, and that the Federal Government is solvent and the Federal Government's Treasury is inexhaustible, while somehow or other the States do not have sufficient money to pay any part of the various programs.

There is no money available from Washington which did not first come from the taxpayers of one of the 50 States of the Union. Will anybody dispute that?

I am one of those who has believed for a long time—and I have operated on that belief—that this constant pressure to transfer all collections of the people's money, of the taxpayers' money, to Washington, and to have it expended from Washington can only lead to ultimate disaster to our way of life. The further tax collection gets away from the people and the further the spending of that money gets away from the people in the States and local communities, the more we develop the tendency to waste and extravagance.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

(By unanimous consent (on request of Mr. HALLECK), Mr. QUIE was given permission to proceed for an additional 3 minutes.)

Mr. HALLECK. I had not intended to inject myself into this argument, but I could not sit here and listen to this report about what some of the State people would like to have. I do not know what the welfare director in my State says about this, but I know this: the people of Indiana have to carry their fair share of the burden, and I do not believe in transferring it to Washington. Maybe enough of you do believe you can beat this amendment and go on and pass this bill, but I am telling you now unless we at sometime or other—and I think shortly—call a halt to this trend, we are going to be in for real trouble. I do not know how long we are supposed to be here tonight, but I would like to say, though it is possibly not a matter of great consequence on the other side of the aisle, it just so happens on our side of the aisle we have people in from all over the country who are here tonight for functions of some importance to them and to us. In addition, there is a matter that a great many of us are interested in which involves people on both sides of the aisle. Tomorrow is another day, but I understand there is a determination to act to-

night not only on this bill but the bill dealing with wheat and cotton. As far as the latter bill is concerned, I think I might as well say right now that probably the way this is being handled is the most highhanded, cavalier operation involving a matter of consequence that I have seen here in my time. I might as well pay my respects to that. And, as far as I am concerned, I can stay here the rest of the night to dispose of these matters. However, this is only Wednesday. So with the rest of the week before us, why all this pressure from the majority side for such precipitous action? Also I might mention the fact that in the rotunda of this Capitol lies in state one of the greatest heroes of our time and one of the greatest Americans of all time. However, as I say, I am perfectly willing to stay here if that is what is needed.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the majority leader.

Mr. ALBERT. I am going to advise the minority leader that we are going to stay here and finish these bills and that the leadership of the committee has endeavored from 11 o'clock this morning to expedite the consideration of this matter so that the Members on both sides of the aisle could attend to important social functions. Every objection made to our considering this bill as having been read and every point of no quorum that was made has been made from the other side of the aisle. We do not apologize for going on with the consideration of this matter.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. QUIE] has expired.

Mr. COOLEY. Mr. Chairman, I have a unanimous-consent request to comply with the gentleman's suggestion to close all debate on this amendment and this bill by 6 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. MICHEL. I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on this amendment and on this bill close by 6 o'clock.

Mr. HALLECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. As I understand it, that motion is not in order until the first speech has been made in support of the amendment and then a 5-minute speech in opposition to it.

Mr. ALBERT. He just made the 5-minute speech.

The CHAIRMAN. There has been debate on this amendment already. The motion is in order.

Mr. HOEVEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOEVEN. Mr. Chairman, has the entire bill been read?

The CHAIRMAN. The entire bill has been read, and there has been debate on this amendment.

Mr. BEERMANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BEERMANN. As I understand it, one speaker may speak for the amendment and one against it. Is that correct?

The CHAIRMAN. That has been done.

Mr. BEERMANN. So far only the author of the amendment has spoken for it. Three minutes were granted additionally by the majority leader and 3 minutes were requested by the minority leader. There has been no 5-minute debate against the amendment.

The CHAIRMAN. There has been debate on the amendment, the Chair advises the gentleman, and the motion of the gentleman from North Carolina is in order.

The question is on the motion offered by the gentleman from North Carolina [Mr. COOLEY] that all debate on this amendment and on the bill close at 6 o'clock.

Mr. HOEVEN. Mr. Chairman, on that question I demand tellers.

Tellers were ordered and the Chairman appointed as tellers Mr. HOEVEN and Mr. MATTHEWS.

The Committee divided, and the tellers reported that there were—ayes 149, noes 117.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I move that the Committee do now rise out of further respect for one of the greatest Americans, Gen. Douglas MacArthur.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I demand tellers. It is disgraceful to have this sort of thing going on while General MacArthur is lying here in the Capitol.

The CHAIRMAN. The chair will inform the gentleman that a vote on his motion is being taken. He is not recognized to make a speech.

Mr. JENSEN. I thank the Chair.

Tellers were ordered, and the Chairman appointed as tellers Mr. JENSEN and Mr. MATTHEWS.

The Committee divided, and the tellers reported that there were—ayes 114, noes 146.

So the motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks, and to proceed out of order.)

Mr. MILLER of California. Mr. Chairman, I would like to announce that at 11 o'clock this morning the first Gemini capsule was successfully launched at Cape Kennedy. The Titan II booster lifted the capsule into space with all systems working perfectly. Insertion into orbit was successfully made, and at this moment the spacecraft is in its third earth orbit. Plans are for the unmanned Gemini to remain in orbit for about 3½ days during which time we will

gain invaluable information concerning our newest man-in-space venture.

Mr. Chairman, this is a source of considerable pride to me, and I am sure for every citizen of the Nation. Today we used Titan II, a new space booster which lifted this new space capsule so successfully, and a new spacecraft which accommodates not one man but two.

Congratulations are not only due for the NASA team who successfully launched this unprecedented flight, but to the contractors who were instrumental in building the spacecraft and booster and assisting in the launch—the Martin Co., Aerojet-General Corp., and the Gemini capsule manufacturer; the McDonnell Aircraft Co.; to say nothing of the hundreds of subcontractors who performed invaluable work which made this mission one which will go down in the history of the exploration of space.

Now we have reached another plateau in our mission to reach the moon in this decade, and on this day I feel certain that all Americans stand a little taller for this remarkable accomplishment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, apparently the conduct and voting in the House is about to be put in orbit. That is evident from the way the chairman of the House Agriculture Committee is running this show. There is to be still another bill considered this evening as a part of this "You scratch my back and I'll scratch yours" deal. I do not know how much further in orbit the Democratic leadership can put the votes in this House. I would just like to serve notice here and now that as far as I am concerned I do not like it and I will be present for a further round of this high-handed business in the days and weeks ahead.

The CHAIRMAN. The Chair will state that since only 10 minutes remain for debate under the limitation of time at this time each Member will now be recognized for 15 seconds.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I yield to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Chairman, many of my colleagues have asked me if this legislation was covered by the civil rights bill as it passed the House. It is my studied judgment that this legislation is subject to the civil rights bill as passed by the House. In order not to leave any doubt about the question, I have also discussed the matter with the chief counsel of the Judiciary Committee and he joins in my opinion.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, the time allotted to Mr. GUBSER was granted to Mr. McCULLOCH.)

Mr. McCULLOCH. Mr. Chairman, as I was saying, the chief counsel of the

Committee on the Judiciary is of the same opinion. The senior minority counsel of the Committee on the Judiciary is of the same opinion. I might say, too, that I have talked with the chairman of the committee and he, too, was of the same opinion.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. BLATNIK].

(Mr. BLATNIK asked and was given permission to revise and extend his remarks.)

Mr. BLATNIK. Mr. Chairman, the Quie amendment should be defeated because what it does is to penalize those who need the help the most and deny them help. Those who are in better shape financially and economically will be given top priority. It is discriminatory and will make the program absolutely unworkable.

Mr. Chairman, the Quie amendment has been proposed by those who oppose the bill. If the food stamp bill passes with this amendment the program will be prevented from carrying out its basic purposes. This program has been designed specifically for those areas which cannot afford such a welfare plan. Under the Quie amendment, those areas which need food stamps the most will be least able to participate financially.

The attitude of the gentleman from Minnesota is readily understandable when we analyze the nature of his own district and the need for the food stamp program there. Of the 12 counties in his district only 2, Freeborn and Mower, are now participating in the surplus food direct distribution program. In these two counties only approximately 700 families receive surplus foods. Neither of these two counties have expressed an interest in participating in the food stamp program. None of the 12 counties are classified as redevelopment areas or areas of relatively continuous or substantial unemployment. Perhaps these facts are more significant than the so-called principle of State-Federal participation in explaining the Quie amendment.

Let me contrast the situation in the district of the gentleman from Minnesota [Mr. QUIE] with my own area in northeastern Minnesota. In the 11 counties of my eighth district only 1 does not participate in either the food stamp or direct distribution programs. Only two are not classified as redevelopment areas.

Some of these towns are so poor that they cannot afford to participate in existing Federal programs. For example, one town which is dumping its own raw sewage into the lake which also serves as its water supply, desperately wants and needs a new sewage treatment plant. It was awarded an accelerated public works grant with 66⅔ percent Federal grant yet was so poor it could not come up with its own share. It could not even afford an engineer to undertake the basic planning. And this is but one example.

The surplus foods may satisfy the feeling of hunger in the pit of the stomach. But a program which does not include the meats, fruits, and vegetables so necessary to a balanced diet will still leave the body hungry for essential vitamins

and proteins. Eighty percent of the increased food consumption of the participating food stamp families has been in meats, fruits, and vegetables not available in the food stamp program.

I noted in debate yesterday that 29 States meet only in the odd years and thus could not possibly participate in the food stamp program this year. Three States meet only in even years and would have to wait until 1966 to implement the food stamp plan. The majority of the balance of the States having annual sessions will probably have adjourned by the time this bill is enacted and would also have to wait until next year.

Furthermore, even when they do meet, State legislatures are often very slow in taking advantage of these matching grant welfare programs. And those which are the first to participate are usually the more wealthy areas already having excellent existing welfare programs. For example the aid to dependent children program for the unemployed, effective in May 1961, has only 15 States as participants. The Minnesota State Senate refused to participate in this program in 1963 because the program required a small State matching amount.

The Kerr-Mills law, effective in October 1960, has only 33 States participating. Minnesota's participation will be effective on July 1, 1964—almost 4 years later. There are other examples of the States' failure to respond to Federal programs. The medical assistance or medical vendor program under old-age assistance started in 1951. In 1952 there were 13 States participating. In 1954 there were 14 States participating. Seven years later, in 1958, only 32 States were participating. Aid to dependent children for children removed into foster care was effective in May 1961. As of January 1964 only 14 States were participating. Many counties are not participating in the direct distribution surplus food program because they cannot even afford the administrative costs involved.

When it is a matter of getting enough to eat we simply cannot make these people wait that long.

When I cited in debate these examples, and when I stated that hungry people cannot wait years to participate in food stamps, I was told that these people would not be hungry because they could still participate in the surplus food program. We have heard of Marie Antoinette brushing off the complaints of her hungry citizens with "Let them eat cake." The 20th century version of this callous cry is "Let them eat surplus foods."

Mr. Chairman, I believe the issue boils down to whether our attitude is to be one of feeding surplus foods to surplus people or one of providing an adequate balanced diet to unfortunate Americans. When the vote comes to defeat the Quie amendment, I hope the Members of this body will express their concern and delete this hamstringing provision from the food stamp bill.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I rise

in support of the bill. I certainly feel, however, that the Quie amendment should be knocked out of the bill on the basis of the reasons stated by the gentleman from Minnesota.

Mr. Chairman, I favor the enactment of H.R. 10222, but believe strongly that we should delete one amendment that was adopted in the House Committee on Agriculture. That is the amendment to require the States to pay 50 percent of the cost of the program.

If we do not remove the amendment, the effects of the program will be greatly diminished because those areas needing the greatest help will not be able to participate. I speak from experience in my own State of Virginia, where three counties and one city in my district are presently participating in the program on a pilot basis.

Many of you recall that, while I was a member of the House Agriculture Committee, I favored the fullest use of our agricultural abundance in a broad range of activities to benefit our people. These included the direct distribution of surplus food commodities; the school lunch and school milk programs; institutional feeding; and others.

One of the first bills that I sponsored as a freshman in the 84th Congress was to authorize the processing of wheat and corn into a form suitable for home and institutional use. Since that bill became law in 1955, this processing of grain has continued on a permanent basis and millions of pounds have been donated to those in need, to schools and to institutions.

Various counties of my congressional district in southwest Virginia have utilized the direct distribution program. It has helped meet the needs of hundreds of families.

In 1963, three counties and one city formerly using direct distribution were designated eligible for the pilot food stamp program. These were the counties of Dickenson, Lee, and Wise, and the city of Norton. The stamp plan was inaugurated after details were completed with State and local officials. Generally speaking, the operation is conducted in a manner already outlined earlier in this discussion. The local superintendents of welfare certify the eligibility of applicants and administer the program.

The food stamp program has been well received in those areas I have mentioned. I have secured reports from the local superintendents of welfare, from the Federal food stamp office, and have talked with several residents of these four political subdivisions. The program is well on the road to being one of the most successful operations ever undertaken. The few complaints are relatively minor.

These families participating in the program regard it as much more effective in giving them a balanced diet.

The merchants have been high in their praise.

It has given an economic uplift to the areas participating.

The following comments are taken from a report of the Dickenson County superintendent of public welfare:

We believe the stamp program is superior to the program of direct distribution of surplus foods. The recipient has a choice of foods and can have a more adequate diet. He also has some responsibility because of the requirement that he pay a proportional sum and when a person "pays" in some manner usually the products become more valuable. The economy of the county also is benefited by the food coupons.

The program, as summarized for the month of February, reveals the following facts for my eligible areas:

Dickenson County: 673 families or 3,138 persons participated. Stamps issued, \$36,166.

Lee County: 567 families or 2,783 persons participated. Stamps issued, \$33,092.

Wise County: 721 families or 3,440 persons participated. Stamps issued, \$39,156.

City of Norton: 71 families or 287 persons participated. Stamps issued, \$3,586.

You can see very easily the impact these expenditures for food would have on the diets among eligible families and on the economy of the area.

Mr. Chairman, I have found this to be a well planned and administered program. It is of tremendous benefit to the people in the eligible areas. It helps not only those in need, but our farmers who produce the foods purchased.

I again reiterate that we should remove the requirement that States must pay 50 percent of the cost for the food stamp program and approve H.R. 10222.

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, we listened to practically all the debate on this bill and still am not convinced of the merit of this legislation.

This Quie amendment ought to be adopted. We have already adopted the Jones amendment providing for the continuation of the program of direct distribution. Within a few weeks we will have the agriculture appropriation bill before this House and you will see that over \$200 million is already going into this program.

The gentlewoman from Missouri [Mrs. SULLIVAN] yesterday said on page 6913 of the RECORD that:

The cost to the Federal Government, once this program is operating nationally, will be about the same as the present costs to the Federal Government of giving away surplus food to the needy. The one program replaces the other. The total costs of both would be about the same.

I submit, Mr. Chairman, that we now will have two programs in the same area costing untold millions of dollars.

This food stamp program is not a budgeted item over and above the pilot projects. Those of you who have plausibly proclaimed to be advocates of "holding the line" on spending should pay particular attention.

Now bearing in mind that currently the program is only operating as a pilot project in 40 counties, the cost for the fiscal year 1964 is \$44,625,000. For the fiscal year 1965 it will be \$51,125,000

with some 110 to 115 Federal employees involved. Visualize if you will expanding this program to over 3,000 counties throughout the United States—a 75-fold increase and try to contemplate the cost in future years. It will be astronomical.

By the Agriculture Departments' own figures an additional 240 man-years of Federal employees will be required for the fiscal year 1965. By 1966 it will grow to 300 man-years and by 1967 it will be 600 man-years.

This is pure and simple a Federal relief program and we ought to continue the traditional pattern for welfare programs of matching State and local funds with Federal funds. This amendment should be retained in the bill.

No wonder there are over 200 applications for participation. Why not apply when Uncle Sam will pick up the full tab? The same argument would hold true for those who argue that the grocery stores are in favor of the legislation. I would be for it, too, if as a retailer the Federal Government were picking up the tab for the difference my customers required to have them do business with me. This does not make it right and proper.

If this local and State participation feature is not retained in the bill, I shall have to vote against it, for then the floodgates will be opened to every conceivable kind of welfare program financed wholly by a debt-ridden Federal Government.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman, in reference to the remarks of the gentleman from Ohio, the civil rights provision would only apply if there were discrimination in this particular program. There is an antidiscrimination provision in this bill itself.

With respect to the Quie amendment, we have engaged in an idle act if that remains in the bill, because we extend the direct giveaway program and that requirement of 50 percent in this program would make it that, so nobody would choose that program.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, people who are in real dire need have the direct distribution program and the present food stamp plan which they can use. If this program is going to be spread all over the country, as the plan which we are considering will surely spread, the States ought to share in the responsibility by paying 50 percent of the cost. That is what my amendment proposes. The States ought to pay part of the cost just like they do in the other welfare programs. This is a time-tested and time-honored principle which we ought to adhere to.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Chairman, I support the Quie amendment. I would like to make the observation that we have farm programs to increase surpluses and now we have to have a program paid

by the taxpayers to subsidize the consumer.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, I ask that this amendment be voted down. Unless this amendment is defeated, we would be passing a bill that would never go into effect. I urge its defeat. It was not inserted in this bill in order to improve the bill or the program; it was offered as a device to kill the bill, and kill the program. If this bill were to become law with this amendment included, not only would there be no new food stamp plans put into operation, but all of the existing pilot projects would also come to a halt.

When I introduced this legislation—the administration bill—it was in order to enable other cities and communities in the Nation to enjoy the advantages of a food stamp plan which we already have in my city, and which we prefer to the direct distribution system. But St. Louis could not have a food stamp plan any more, and neither could Pittsburgh or Detroit, or any of the other 40 areas which now have food stamp projects, if this amendment were to become law. The reason is very simple:

Our States could not and would not undertake to finance half of the cost of the food subsidy. Many of the States cannot afford to take advantage now of such important matching Federal aid welfare programs such as the Kerr-Mills Act and aid to children of the unemployed, and most of them are not able to take full advantage of all of the Federal funds they could obtain in other welfare programs. Those are all—and must be—statewide programs. The food stamp plan operates only in those areas of a State which want it and which have sufficient numbers of needy persons to make it practical to operate.

The States must now shoulder many of the costs of a food stamp plan—the costs of certification of the eligibles who are on welfare, and half of the cost of certifying other eligibles who are not on public assistance. The States must set up the machinery to keep strict accounting of all of the food coupons, and to collect the money paid by the food stamp participants. The State costs are not inconsequential. In my State, the welfare administration has been having difficulty finding the funds to finance that part of the costs for which it is now responsible; it could not pay the very substantial additional costs this amendment would impose on Missouri in order to enable us to continue the St. Louis food stamp program.

So, what we have here, in this amendment, is a deliberate device to kill not only this bill to expand the program, but to kill the pilot plans now in operation. Jefferson County and Walker County in Alabama would lose their projects, as Congressman ELLIOTT knows. Independence County in Congressman MILLS' district of Arkansas would lose its project. So would Humboldt County in the California district of Congressman DON

CLAUSEN. Franklin County in the Illinois district represented by Congressman GRAY would no longer be able to have a food stamp plan. Congressman DENTON's district in Indiana would lose the food stamp program in Vanderburgh County. In Kansas, Congressman DOLE's district would lose the project in Rice County. In Congressman PERKINS' district in Kentucky, the projects in Floyd, Knott, and Perry Counties would end, and they would have to go back to the direct distribution system. In Louisiana, the districts represented by Congressmen THOMPSON and LONG would see their food stamp projects ended in Avoyelles and Evangeline Parishes; the three projects in Congressman BLATNICK's Minnesota district in Carlton, Itasca, and St. Louis Counties would have to stop. Congressman OLSEN's district in Montana would lose the Silver Bow County project. Three counties in New Mexico—Mora, San Miguel, and Santa Fe Counties—would no longer be able to continue under the program.

Congressman COOLEY's North Carolina district would lose the Nash County project. In Ohio, the project in Congressman ASHLEY's district, would be terminated in Lucas County, and Cuyahoga County, represented by Congressmen FEIGHAN, VANIK, and MINSHALL and by Mrs. BOLTON would have to give up the food stamp plan. In Mrs. GREEN's district of Oregon, the Multnomah County project would end. In Pennsylvania numerous districts would be affected: Congressman SAYLOR's in Cambria County, Congressman MORGAN's in Fayette County, Congressman FLOOD's in Luzerne, as well as those of the three Members from the city of Pittsburgh, Representatives MOORHEAD, HOLLAND, and FULTON. Tennessee's Third District, represented by Congressman BROCK, would have to give up food stamp projects in four counties—Grundy, Hamilton, Marion, and Sequatchie Counties.

In Virginia, the three counties in Congressman JENNINGS' district which have food stamp plans, Dickenson, Lee, and Wise Counties, would lose their projects. In Washington, the Grays Harbor County project in Mrs. HANSEN's district would be ended. In West Virginia, there are food stamp projects in Logan and Wayne Counties in Congressman HECHLER's district, and in Mingo and McDowell Counties in Mrs. KEE's district which would have to be terminated, and in Wisconsin, the Douglas and Iron County projects in Congressman O'KONSKI's district would have to be ended. I mentioned the Detroit project, one of the very first in the country, and one of the most successful. Congressmen NEDZI, DIGGS, RYAN, DINGELL, LESINSKI, and GRIFFITHS all have parts of their district participating in the program. In St. Louis, both Congressmen KARSTEN and I would have our districts affected by termination of the program.

And it is this particular amendment to the bill now before us which would have that effect. We would frankly rather have no bill at all, than a bill which took away our already existing projects. Without any legislation at all,

we could continue to have our pilot food stamp plans. With this 50-50 amendment enacted into law, however, we could not.

I urge the Members, Mr. Chairman, not to let the enemies of the food stamp plan, not only deny it to additional areas of the country, but to also take it away from the 3 cities and 40 counties which now have it and want to continue having it.

This amendment must be defeated if a nationwide food stamp plan is to be a practical reality. Otherwise, we would be passing a bill which would authorize a food stamp plan which would never go into effect. Those who oppose the food stamp plan are welcome to vote against the bill. But I call upon all of those Members who profess to believe in the idea, and who say they support it, to prove their support for the idea by voting down this amendment intended to kill the program.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, since I do not want to bore my colleagues with a long speech, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GRAY. Mr. Chairman, I am sorry the time for debate has been limited because I had looked forward to speaking at some length on the food stamp bill now before us. I wanted to explain how the food-stamp program has helped Franklin County, Ill., in my district. I hope it will suffice to say that my people in Franklin County are now enjoying an adequate diet because of this humanitarian program. Thousands of people in other counties of my district are looking forward to the same consideration. In the interest of helping those who need help the most, I ask my colleagues to vote down the Quie amendment and pass the bill.

The Saviour said, "What ye do for the least of my brethren, ye also do for me."

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, I rise in support of the bill and against the Quie amendment. I merely wish to state that in this situation the State will receive no money, only commodities. In most of the other matching programs, moneys are paid to the States.

(Mr. FARBSTEIN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RYAN].

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Chairman, the bill before us gives us an opportunity to put our agricultural abundance to work for the benefit of all the people of the United States.

I certainly oppose the Quie amendment. I believe it would cripple the bill,

as pointed out by the distinguished chairman of the Committee on Agriculture.

We have the capacity to wipe out poverty, to stamp out hunger, to insure every man, woman and child a life of decency, dignity and hope. Let us not cloud our vision with the shadows of States rights. Let us begin the attack on poverty now.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, the Quie amendment recognizes the responsibility and the authority of the States in this welfare program. The opponents want to deal directly with local units or with individuals, and to bypass and weaken the States in all these affairs. A vote against the Quie amendment will be a vote against State participation in these programs.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN of Montana. Mr. Chairman, I recommend defeat of the Quie amendment for the reason that the areas in dire need would be denied assistance.

(Mr. OLSEN of Montana asked and was given permission to revise and extend his remarks.)

Mr. OLSEN of Montana. Mr. Chairman, my old home county of Silver Bow is one of the largest taxpaying counties in the State of Montana. However, because of depression the county has had to go to the State treasury for assistance to finance welfare programs. I doubt that my State or county could comply with the Quie amendment.

The same situation of need and inability to finance prevails on all the Indian reservations.

The areas in need cannot finance this program. Federal finance is necessary.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. OLSEN of Montana. I yield to the gentleman from Minnesota.

(Mr. FRASER asked and was given permission to revise and extend his remarks.)

Mr. FRASER. Mr. Chairman, the food stamp program can be an effective welfare program if the amendment requiring the States to bear 50 percent of the cost is removed. The benefits that will be derived from this program are so important that to allow this amendment to stay in the bill would be a mistake in my opinion.

The welfare officials of my own city of Minneapolis have told me that an effective food stamp program would permit a more orderly distribution of agricultural products. It would also serve more needy people because it would rely on the normal commercial channels of distribution. As the Committee on Agriculture has pointed out, the pilot food stamp program has proven to be the most effective method yet devised to provide needy Americans with an adequate diet.

In this way the food stamp program can be an important supplement to our State and local welfare programs.

The Federal Government will not automatically set up food stamp programs in

all areas of the country; the agency responsibility for administering public programs in the States must request the establishment of a food stamp program. Those areas which have the greatest need for this type of program certainly will not ask to participate in it because they will be unable to afford this additional program. They already have difficulty meeting the minimum welfare needs of their people. Thus, the people who have the greatest need for this assistance will be unable to participate in this program.

The States most in need of this program will be forced to rely on the donated food program instead of being able to take advantage of the food stamp program.

The bill does provide that States will be responsible for financing the costs of the administration of the program in the local areas. This preserves the important principle of Federal-State cooperation and cost sharing.

If the amendment offered by the gentleman from Minnesota, Congressman QUIE is retained in the bill, this program will not supplement our existing welfare program—it will either remain unutilized or it might even tend to replace them. We cannot afford to let this occur because it would result in a general lowering of welfare assistance.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, W. Bernard Smith, the West Virginia commissioner of welfare stated quite flatly in a telegram I read to the House yesterday, on page 6936, that for financial and constitutional reasons West Virginia would be unable to participate in the food stamp program if the Quie amendment were adopted. I urge that the Quie amendment be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I wish to ask the chairman of the committee a question. If the Quie amendment is agreed to and a State does not choose to participate, will that State still be able to participate in the regular distribution program?

Mr. COOLEY. Yes.

Mr. PICKLE. I thank the chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, the Members of our body understand the issues. The sponsors of this amendment do not support the bill. When this amendment was adopted in the committee the author of the amendment did not support it. I doubt if he would support it if the amendment were adopted today. Let us understand what is going on and defeat the amendment.

The CHAIRMAN. The chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, Federal funds entirely are used for section 32, Public Law 480, and direct distribution. The food stamp plan is a similar program. Federal funds should

be used entirely for it. The Quie amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, the authorization provided for in this bill is not in the budget. A potential cost of \$2.5 billion a year is involved and it may be more. Every penny of expenditure involved will have to be paid for out of the Federal Treasury unless the Quie amendment is adopted; and all out of borrowed money if you please.

Talk about fiscal irresponsibility on the part of the majority—this is it.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I think you have been very patient and kind. I know I cannot make a speech now, but I do want to say that some very inaccurate statements have been made, particularly the last one about the cost of the program under this bill. There is a limitation on page 17, in very plain language, and I think the gentleman from Iowa [Mr. HOEVEN] understands this limitation. The gentleman from Minnesota [Mr. QUIE] offered this amendment and it was adopted, and he then repudiated it and was joined by every one of his colleagues on the committee. That is the kind of sincerity, I suppose, that prompts him to offer his amendment now.

The CHAIRMAN. All time has expired. The question arises on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The question was taken and the Chair announced that the noes appeared to have it.

Mr. HOEVEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HOEVEN and Mr. MATTHEWS.

The Committee divided, and the tellers reported that there were—ayes 155, noes 168.

So the amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes, pursuant to House Resolution 662, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. GUBSER. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from California rise?

Mr. GUBSER. Mr. Speaker, I demand the reading of the engrossed copy.

The SPEAKER. The gentleman demands the reading of the engrossed copy of the bill.

TAKING H.R. 6196 FROM THE SPEAKER'S TABLE AND AGREEING TO SENATE AMENDMENTS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 665, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 6196) to encourage increased consumption of cotton, to maintain the income of cotton producers, to provide a special research program designed to lower costs of production, and for other purposes, with the Senate amendments thereto, be, and the same is hereby taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby agreed to.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and, pending that, I yield myself such time as I may consume.

Mr. Speaker, upon the adoption of this resolution the Congress will have concluded action on the so-called cotton-wheat bill. It would do so by taking from the Speaker's table the bill, with Senate amendments, and agreeing to the Senate amendments. The two bills then, in effect, would be cleared for the President.

Mr. Speaker, I have heard and read a good deal about how unusual this procedure is. It is not an unusual procedure at all. I think most of those who say it is unusual are aware of the fact that it is not. It has been used many times before in the consideration of important legislation and, no doubt, will be used many times again.

Mr. Speaker, this is a procedure provided for by the rules of the House. It is an orderly procedure and a procedure which I believe the House will follow.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 8 minutes.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, it is seldom that I disagree with my good friend from Missouri, a fellow member of the Rules Committee. I agree with him that in rare instances this procedure has been used in the past, but only seldom, if ever, used in the history of this

House in connection with legislation of this importance.

What the adoption of this particular resolution means is simply this: Upon the adoption of the resolution, an amendment added by the Senate to the so-called cotton bill, which was approved by the House earlier in the year, by adding to it a completely new section, amendment, or rider—whatever you wish to call it—setting up an entire new wheat program, an entire new farm program for the American people, to go into effect without the membership of this House—435 duly elected Representatives of the American people assembled here—having any opportunity whatsoever to consider, to debate, or to amend it.

What does that mean? It means that this is not a usual procedure, as you have just been told. It is an unusual method of disenfranchising 435 elected Members of the House of Representatives.

The adoption of this resolution means that all 435 Members of this House—you and all the rest sitting here—will no longer be given the opportunity, as you have in the past, to discuss, debate or offer to amend one of the most important pieces of legislation to come before the Congress during this Congress, to wit, a complete new farm bill or law dealing with the planning, acreage control, sale and price of wheat, and of other farm products as well.

Yes, Mr. Speaker, there may be some House Members who do not want to hear or listen to that which I am about to say. But I want to brand this action as being dictatorial; this proposed action as being un-American; and, if I can use the words of one of the supporters of this resolution without naming him, because he is a friend of mine and a member of the Rules Committee, as he said in executive session: "This resolution is just raw, bloody, power politics." It is an attempt to say to this House, "You are going to accept what we want you to accept without any opportunity to vote whatsoever upon the real merits of the far-reaching and important Senate amendment."

What did happen over in the other body? When the Senate of the United States took the House-approved cotton bill and amended it, by adding the wheat section, by only 3 votes, if I remember correctly. It followed the usual procedure because no Member of that body even assumed the House of Representatives would try to gag itself by a nefarious arrangement such as this.

So what did the Senate do? It sent this bill back to us with its amendment, in the usual manner and asked for a conference with the House. It was sent back on March 6, by the way. Look at CONGRESSIONAL RECORD of that date. The Senate even went so far as to name its own conferees, and was ready and willing to meet with the House to discuss the amendment under orderly procedure, and an orderly way, as has been done with amendments to hundreds of other bills, even as to minor amendments adopted by the other body to House bills. It named its conferees: Senators EASTLAND, ELLENDER, JOHNSTON, HOLLAND, McGOVERN, AIKEN, YOUNG of North Dakota,

and HICKENLOOPER, because the Senate thought, it believed, and did not expect anything else, but that the House itself would follow the usual procedure and agree to send this measure to conference, where the conferees at least from the House side would have an opportunity to discuss the amendments adopted by the Senate, the wheat bill and the farm bill as wanted by the administration, and then to present the amendments to the House, so some Members of this body could express themselves thereon. But instead the House followed the path of "raw bloody power politics," as this proposal was so well described.

I wonder whether we are going to give up our constitutional right to represent our own people here this afternoon, to represent our own districts, to speak our own minds, or instead to only say we will just be rubberstamps and, like Hitler's Reichstag, answer only "Ja" or "Nein." Yet we are told by the political masters who crack the whip over us, "You take it the way we want it, without discussing, debating or amending, this new wheat program as contained in the Senate amendment."

I call on you all to stand up and protect your constitutional rights, your own privileges, your own rights to represent your people, regardless of how you may vote on the merits of the administration's farm program. I hope you will vote down this resolution, so we can then in an orderly way send this to conference, at least.

RECESS

The SPEAKER. Pending the receipt of the engrossed copy of H.R. 10222, the Chair declares a recess subject to the call of the Chair. The bells will be rung 15 minutes before the House convenes again.

Accordingly (at 6 o'clock and 24 minutes p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 9 o'clock and 4 minutes p.m.

FOOD STAMP ACT OF 1964

The SPEAKER. The unfinished business is the reading of the engrossed copy of H.R. 10222.

The Clerk will read the engrossed copy. Mr. OLIVER P. BOLTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. OLIVER P. BOLTON. Mr. Speaker, when the recess was called, it is my understanding that we were engaged in the consideration of what is referred to as a cotton and wheat bill. Is it not the rule of the House that we must finish the consideration of that measure before we take up any other measure which has been passed over for parliamentary and mechanical reasons?

Mr. BOLLING. Mr. Speaker—

The SPEAKER. The gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Speaker, under the rules I withdraw House Resolution 665.

Mr. OLIVER P. BOLTON. Mr. Speaker, a parliamentary inquiry.

Mr. HALLECK. Mr. Speaker, that takes unanimous consent, and I object.

The SPEAKER. The Chair will state that it does not take unanimous consent to withdraw the resolution in the House.

Mr. OLIVER P. BOLTON. Mr. Speaker, it is my understanding that the Speaker was addressing the Member now addressing the Chair and had not given an answer to my question. Therefore, the recognition of the Member from the other side, the gentleman from Missouri [Mr. BOLLING] was out of order. Am I incorrect?

The SPEAKER. The recognition of the gentleman from Missouri [Mr. BOLLING] terminated the parliamentary inquiry.

Mr. OLIVER P. BOLTON. In other words, the Speaker did not answer the parliamentary inquiry; is that correct?

The SPEAKER. Since the resolution was withdrawn, the parliamentary inquiry was ended.

Mr. OLIVER P. BOLTON. If the Speaker will respectfully permit, the gentleman from Ohio would suggest that the question had been asked before the resolution had been withdrawn.

The SPEAKER. The Chair will state that the Chair has the power of recognition. Now that the resolution has been withdrawn, the unfinished business is the reading of the engrossed copy of H.R. 10222.

Mr. OLIVER P. BOLTON. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. OLIVER P. BOLTON. The Speaker had recognized the gentleman from Ohio for a parliamentary inquiry. The parliamentary inquiry had been made. The parliamentary inquiry had not been answered and yet the Chair recognized the gentleman from Missouri.

The SPEAKER. Which the Chair has the power to do.

The Clerk will read the engrossed copy of H.R. 10222.

Mr. GUBSER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-five Members are present, a quorum.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, a short while ago the Speaker declared a recess. Am I to understand that that was done under the unanimous-consent request that was given yesterday for the MacArthur ceremonies in the Capitol?

The SPEAKER. The Chair will state that the unanimous-consent request made by the gentleman from Oklahoma [Mr. ALBERT], was as follows:

Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday and Thursday for the Chair to declare a recess subject to the call of the Chair.

Mr. HALLECK. In other words, Mr. Speaker, that conferred blanket authority, but is it not also true that what we had in mind were the MacArthur ceremonies?

The SPEAKER. The Chair will state that the unanimous-consent request gave authority to the Chair to declare a recess.

Mr. GUBSER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GUBSER. Mr. Speaker, is it not correct that the authority given to the Chair was for a recess in the singular, and that that one recess has already been had and, therefore, a second recess is out of order?

The SPEAKER. The Chair will read again for the benefit of the gentleman the request.

Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday and Thursday for the Chair to declare a recess subject to the call of the Chair.

The Chair exercised the authority given by that unanimous-consent request which was granted by the House.

Mr. OLIVER P. BOLTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. OLIVER P. BOLTON. Mr. Speaker, may I inquire whether the parliamentary inquiry which I addressed to the Chair is now not to be answered, because of the action of the gentleman from Missouri?

The SPEAKER. The gentleman will repeat his parliamentary inquiry.

Mr. OLIVER P. BOLTON. Mr. Speaker, my parliamentary inquiry was to the effect that inasmuch as the House was engaged at the business before it at the time the Speaker called the recess, whether the rules of the House did not call for the conclusion of that business before other business which had been postponed by the House under the rules of the House and in accordance with the procedures of the House did not have to follow consideration of any business that was before the House at the time of the calling of the recess?

The SPEAKER. The Chair will state that the gentleman from Missouri withdrew his resolution. If he had not withdrawn the resolution the situation might have been different.

The Chair has made a ruling that the unfinished business is the reading of the engrossed copy of H.R. 10222. That is the unfinished business.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, in view of the withdrawal of the resolution by the gentleman from Missouri [Mr. BOLTON] do I understand that we start all over again on the consideration of the rule for the wheat-cotton bill?

The SPEAKER. When the gentle-

man calls it up, the understanding of the gentleman is correct.

Mr. HALLECK. We will start all over again with 30 minutes on a side?

The SPEAKER. That is correct.

Mr. OLIVER P. BOLTON. Mr. Speaker, I offer a preferential motion.

The SPEAKER. For what purpose does the gentleman rise?

Mr. OLIVER P. BOLTON. Mr. Speaker, I rose and was recognized—

The SPEAKER. The Chair has not recognized the gentleman completely. The gentleman offers a preferential motion to adjourn?

Mr. OLIVER P. BOLTON. Yes.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. OLIVER P. BOLTON moves that the House do now adjourn.

The SPEAKER. The question is on the motion.

Mr. HOSMER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 239, not voting 21, as follows:

[Roll No. 97]
YEAS—173

Abele	Findley	Morse
Adair	Fino	Morton
Alger	Ford	Mosher
Anderson	Foreman	Nelsen
Arends	Frelinghuysen	Norblad
Ashbrook	Fulton, Pa.	Osmer
Auchincloss	Glenn	Ostertag
Avery	Goodell	Pelly
Ayres	Goodling	Pillion
Baker	Gross	Pirnie
Baldwin	Grover	Poff
Barry	Gubser	Quile
Bates	Gurney	Quillen
Battin	Haley	Reid, Ill.
Becker	Hall	Reid, N.Y.
Beermann	Halleck	Reifel
Belcher	Halpern	Rhodes, Ariz.
Bennett, Mich.	Harrison	Rich
Berry	Harsha	Riehlman
Betts	Harvey, Ind.	Robison
Bolton,	Harvey, Mich.	Roudebush
Frances P.	Hoeven	Rumsfeld
Bolton,	Hoffman	St. George
Oliver P.	Horan	Saylor
Bow	Horton	Schadeberg
Bray	Hosmer	Schenck
Brock	Hutchinson	Schneebell
Bromwell	Jensen	Schweiker
Broomfield	Johansen	Schwengel
Brotzman	Johnson, Pa.	Shriver
Brown, Ohio	Jonas	Sibal
Broyhill, N.C.	Keith	Siler
Broyhill, Va.	Kilburn	Skubitz
Bruce	King, N.Y.	Smith, Calif.
Burton, Utah	Knox	Smith, Va.
Byrnes, Wis.	Kunkel	Snyder
Cahill	Kyl	Springer
Cederberg	Laird	Stafford
Chamberlain	Langen	Stinson
Chenoweth	Latta	Taft
Clancy	Lindsay	Talcott
Clausen,	Lipscomb	Teague, Calif.
Don H.	Lloyd	Thomson, Wis.
Clawson, Del.	McClory	Tollefson
Cleveland	McCulloch	Tupper
Collier	McDade	Utt
Conte	McIntire	Van Pelt
Corbett	McLoskey	Wallhauser
Cramer	MacGregor	Weaver
Cunningham	Mailliard	Westland
Curtin	Martin, Calif.	Whalley
Curtis	Martin, Mass.	Wharton
Dague	Martin, Nebr.	Widnall
Derounian	Mathias	Williams
Derwinski	Meador	Wilson, Ind.
Devine	Michel	Wylder
Dole	Miller, N.Y.	Wyman
Dwyer	Minshall	Younger
Ellsworth	Moore	

• NAYS—239

Abbitt	Green, Oreg.	Perkins
Abernethy	Hagan, Ga.	Philbin
Addabbo	Hagen, Calif.	Pickle
Albert	Hanna	Pike
Andrews, Ala.	Hansen	Pilcher
Andrews, N. Dak.	Harding	Poage
Ashley	Hardy	Pool
Ashmore	Harris	Powell
Aspinall	Hawkins	Price
Baring	Hays	Pucinski
Barrett	Healey	Purcell
Bass	Hébert	Rains
Beckworth	Hechler	Randall
Bennett, Fla.	Hemphill	Reuss
Blatnik	Henderson	Rhodes, Pa.
Boggs	Herlong	Rivers, Alaska
Boland	Holifield	Rivers, S.C.
Bolling	Holland	Roberts, Ala.
Bonner	Huddleston	Roberts, Tex.
Brademas	Hull	Rodino
Brooks	Ichord	Rogers, Colc.
Brown, Calif.	Jarman	Rogers, Fla.
Buckley	Jennings	Rogers, Tex.
Burke	Joelson	Rooney, N.Y.
Burkhalter	Johnson, Calif.	Rooney, Pa.
Byrne, Pa.	Johnson, Wis.	Roosevelt
Cameron	Jones, Mo.	Rosenthal
Cannon	Karsten	Rostenkowski
Carey	Karth	Roush
Casey	Kastenmeier	Roybal
Celler	Kee	Ryan, Mich.
Chelf	Kelly	Ryan, N.Y.
Clark	Keogh	St Germain
Cooley	Kilgore	St. Onge
Corman	King, Calif.	Scott
Daddario	Kirwan	Secrest
Daniels	Kluczynski	Selden
Davis, Ga.	Kornegay	Senner
Davis, Tenn.	Landrum	Shipley
Dawson	Leggett	Short
Delaney	Lennon	Sickles
Dent	Lesinski	Sikes
Denton	Libonati	Sisk
Diggs	Long, La.	Slack
Dingell	Long, Md.	Smith, Iowa
Donohue	McDowell	Staebler
Dorn	McFall	Staggers
Downing	McMillan	Steed
Dulski	Macdonald	Stephens
Duncan	Madden	Stratton
Edmondson	Mahon	Stubblefield
Edwards	Marsh	Sullivan
Everett	Matthews	Taylor
Evins	May	Thomas
Fallon	Miller, Calif.	Thompson, La.
Farbstein	Mills	Thompson, Tex.
Fascell	Minish	Toil
Feighan	Monagan	Trimble
Finnegan	Montoya	Tuck
Fisher	Moorhead	Tuten
Flood	Morgan	Udall
Flynt	Morris	Ullman
Fogarty	Morrison	Van Deerlin
Forrester	Moss	Vanik
Fountain	Multer	Vinson
Fraser	Murphy, Ill.	Watson
Friedel	Murphy, N.Y.	Watts
Fulton, Tenn.	Natcher	Weltner
Fuqua	Nedzi	White
Gallagher	Nix	Whitener
Garmatz	O'Brien, N.Y.	Whitten
Gary	O'Hara, Ill.	Wickersham
Gathings	O'Hara, Mich.	Willis
Gialmo	O'Konski	Wilson,
Gibbons	Olsen, Mont.	Charles H.
Gill	Olsen, Minn.	Winstead
Gonzalez	O'Neill	Wright
Grabowski	Passman	Young
Grant	Patman	Zablocki
Gray	Patten	
	Pepper	

NOT VOTING—21

Bell	Gilbert	Murray
Burleson	Griffin	O'Brien, Ill.
Burton, Calif.	Griffiths	Sheppard
Cohelan	Jones, Ala.	Teague, Tex.
Colmer	Lankford	Thompson, N.J.
Dowdy	Matsunaga	Waggonner
Elliott	Milliken	Wilson, Bob

So the motion was rejected.

Mr. HAWKINS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will read the engrossed copy of the bill.

The Clerk read as follows:

H.R. 10222

An act to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Food Stamp Act of 1964."

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, and local governmental units to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households in economic need to receive a greater share of the Nation's food abundance, is herein authorized.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "food" means any food or food product for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary, and those foods which are identified on the package as being imported from foreign sources when they arrive at the retail store.

(c) The term "coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this Act.

(d) The term "coupon allotment" means the total value of coupons to be issued to a household during each month or other time period.

(e) The term "household" shall mean a group of related or nonrelated individuals, who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term "household" shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

(f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

(g) The term "wholesale food concern" means an establishment which sells food to retail food stores for resale to households.

(h) The term "State agency" means the agency of the State government which has responsibility for the administration of the federally aided public assistance programs.

(i) The term "bank" means member or nonmember banks of the Federal Reserve System.

(j) The term "State" means the fifty States and the District of Columbia.

(k) The term "food stamp program" means any program promulgated pursuant to the provisions of this Act.

ESTABLISHMENT OF THE FOOD STAMP PROGRAM

SEC. 4. (a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of an appropriate State agency, eligible households within the State shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than their normal expenditures for food. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

(b) The Secretary shall issue such regulations, not inconsistent with this Act, as he deems necessary or appropriate for the effective and efficient administration of the food stamp program.

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

ISSUANCE AND USE OF COUPONS

SEC. 6. (a) Coupons shall be printed in such denominations as may be determined to be necessary, and shall be issued only to households which have been duly certified as eligible to participate in the food stamp program.

(b) Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program at prices prevailing in such stores: *Provided*, That nothing in this Act shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores.

(c) Coupons issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose and define their denomination. The name of any public official shall not appear on such coupons.

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 7. (a) The face value of the coupon allotment which State agencies shall be authorized to issue to households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households with an opportunity more nearly to obtain a nutritionally adequate diet.

(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as is determined to be equivalent to their normal expenditures for food.

(c) The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any

purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs.

(d) Funds derived from the charges made for the coupon allotment shall be promptly deposited in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 8. (a) Regulations issued pursuant to this Act shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under the food stamp program and for the approval of those applicants whose participation will effectuate the purposes of the food stamp program. In determining the qualifications of applicants there shall be considered among such other factors as may be appropriate, the following: (1) the nature and extent of the retail or wholesale food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant retail food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval.

(b) Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. Regulations issued pursuant to this Act shall provide for safeguards which restrict the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(c) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the food stamp program may obtain a hearing on such refusal as provided in section 13 of this Act.

REDEMPTION OF COUPONS

SEC. 9. Regulations issued pursuant to this Act shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department.

ADMINISTRATION

SEC. 10. (a) All practicable efforts shall be made in the administration of the food stamp program to insure that participants use their increased food purchasing power to obtain those staple foods most needed in their diets, and particularly to encourage the continued use of those in abundant or surplus supply so as not to reduce the total consumption of surplus commodities which have been made available through direct distribution. In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted.

(b) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons: *Provided*, That the State agency may, subject to State law, delegate its responsibility in connection with the issuance of coupons to another agency of the

State government. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations.

(c) In the certification of applicant households for the food stamp program there shall be no discrimination against any household by reason of race, religious creed, national origin, or political beliefs.

(d) Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provisions of this Act or the regulations issued pursuant to this Act.

(e) The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may by regulation be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; and (4) for the submission of such reports and other information as may from time to time be required.

(f) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, he shall inform such State agency of such failure and shall allow the State agency a reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary shall direct that there be no further issuance of coupons in the political subdivision where such failure has occurred until such time as satisfactory corrective action has been taken.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 11. Any approved retail food store or wholesale food concern may be disqualified from further participation in the food stamp program on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as may be determined in accordance with regulations issued pursuant to this Act. The action of disqualification shall be subject to review as provided in section 13 of this Act.

DETERMINATION AND DISPOSITION OF CLAIMS

SEC. 12. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 13. Whenever—

(a) an application of a retail food store or wholesale food concern to participate in the food stamp program is denied,

(b) a retail food store or a wholesale food concern is disqualified under the provisions of section 11 of this Act, or

(c) all or part of any claim of a retail food store or wholesale food concern is denied under the provisions of section 12 of this Act, notice of such administrative action shall be issued to the retail food store or wholesale food concern involved. Such notice shall be delivered by certified mail or personal service. If such store or concern is aggrieved by such action, it may, in accordance with regulations promulgated under this Act, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available, shall be reviewed by the person or persons designated, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect fifteen days after the date of the delivery or service of such final notice of determination. If the store or concern feels aggrieved by such final determination he may obtain judicial review thereof by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business, or in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as he may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless an application to the court on not less than ten days' notice, and after hearing thereon and a showing of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

VIOLATION AND ENFORCEMENT

SEC. 14. (a) Notwithstanding any other provisions of this Act, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(b) Whoever knowingly uses, transfers, acquires, or possesses coupons in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons are of the value of \$100 or more, be guilty of a felony and shall, upon

conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(c) Whoever presents, or causes to be presented coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(d) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8.

COOPERATION WITH STATE AGENCIES

SEC. 15. (a) Each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act. Except as provided for in subsection (b) of this section, such costs shall include, but shall not be limited to, the certification of households; the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; and the issuance of such coupons to eligible households and the control and accounting therefor.

(b) The Secretary is authorized to cooperate with State agencies in the certification of households which are not receiving any type of public assistance so as to insure the effective certification of such households in accordance with the eligibility standards approved under the provisions of section 10 of this Act. Such cooperation shall include payments to State agencies for part of the cost they incur in the certification of such households. The amount of such payment to any one State agency shall be 50 per centum of the sum of: (1) the direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such postinterview field investigations as are necessary to certify the eligibility of such households, and of the immediate supervisor of such personnel, for such periods of time as they are employed in certifying the eligibility of such households; (2) travel and related costs incurred by such personnel in postinterview field investigations of such households; and (3) an amount not to exceed 25 per centum of the costs computed under (1) and (2) above.

APPROPRIATIONS

SEC. 16. (a) To carry out the provisions of this Act, there is hereby authorized to be appropriated not in excess of \$25,000,000 for the fiscal year ending June 30, 1964; not in excess of \$75,000,000 for the fiscal year ending June 30, 1965; not in excess of \$100,000,000 for the fiscal year ending June 30, 1966; and not in excess of \$200,000,000 for the fiscal year ending June 30, 1967. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act.

(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section.

(c) If the Secretary determines that any of the funds in the separate account created under section 7(d) of this Act are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.

(d) Amounts expended under the authority of this Act shall not be considered amounts expended for the purpose of carrying out the agricultural price-support program and appropriations for the purposes of this Act shall be considered, for the purpose of budget presentations, to relate to the functions of the Government concerned with welfare.

Mr. ALBERT (interrupting reading of the engrossed copy of the bill). Mr. Speaker, I ask unanimous consent that the engrossed copy be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALEY. Mr. Speaker, I object.

MOTION TO RECOMMIT

Mr. HOEVEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOEVEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HOEVEN moves to recommit the bill, H.R. 10222, to the Committee on Agriculture with instructions to report the same back to the House forthwith with the following amendment: On page 17, beginning with line 23, strike all of the language through line 3 on page 18 and insert:

"(b) Any State which requests to participate in the food stamp program shall be required, from funds available to the State or political subdivision thereof, to make reimbursement payments to the United States in an amount equal to 50 per centum of the value of those coupons issued to households within the State which is in excess of the value of coupons for which such households are charged. Such reimbursement payments shall be deposited into and made a part of the separate account created in section 7(d) of this Act. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons: *Provided*, That, in any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged to an amount which is not in excess of the sum of the following: (1) the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section; and (2) the amount of the reimbursement payments deposited by States into such separate account during such fiscal year."

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the motion be considered as having been read.

Mr. HALLECK. Mr. Speaker, I object.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. HOEVEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 195, nays 223, not voting 15, as follows:

[Roll No. 98]

YEAS—195

Abbott	Ellsworth	Morse
Abele	Findley	Morton
Abernethy	Fino	Mosher
Adair	Fisher	Nelsen
Alger	Ford	Norblad
Anderson	Foreman	Osmer
Andrews, Ala.	Fountain	Ostertag
Andrews, N. Dak.	Frelinghuysen	Passman
Arends	Goodell	Pelly
Ashbrook	Goodling	Pike
Auchincloss	Grant	Pillion
Avery	Griffin	Pirnie
Ayres	Gross	Poff
Baker	Grover	Quile
Baldwin	Gubser	Quillen
Baring	Gurney	Reid, Ill.
Barry	Haley	Reid, N.Y.
Bates	Hall	Reifel
Battin	Halleck	Rhodes, Ariz.
Becker	Hardy	Rich
Beermann	Harrison	Rielman
Belcher	Harsha	Roberts, Tex.
Bell	Harvey, Ind.	Robison
Bennett, Fla.	Harvey, Mich.	Roudebush
Bennett, Mich.	Hoeven	Rumsfeld
Berry	Hoffman	St. George
Betts	Horan	Schadeberg
Bolton	Horton	Schenck
Frances P.	Hosmer	Schneebell
Bolton	Hutchinson	Schweiker
Oliver P.	Jarman	Schwengel
Bow	Jensen	Selden
Bray	Johansen	Short
Brock	Johnson, Pa.	Shriver
Bromwell	Jonas	Sibal
Broomfield	Keith	Siler
Brotzman	Kilburn	Skubitz
Brown, Ohio	Kilgore	Smith, Calif.
Broyhill, N.C.	King, N.Y.	Smith, Va.
Broyhill, Va.	Knox	Snyder
Bruce	Kunkel	Springer
Burton, Utah	Kyl	Stafford
Byrnes, Wis.	Laird	Stinson
Cahill	Langen	Taft
Cederberg	Latta	Talcott
Chamberlain	Lennon	Teague, Calif.
Chenoweth	Lindsay	Thomson, Wis.
Clancy	Lipscomb	Tollefson
Clausen	Lloyd	Tuck
Don H.	McClory	Tupper
Clawson, Del.	McCulloch	Utt
Cleveland	McDade	Van Pelt
Collier	McIntire	Wallhauser
Colmer	McLoskey	Weaver
Conte	MacGregor	Westland
Cramer	Mailliard	Whalley
Cunningham	Marsh	Wharton
Curtin	Martin, Calif.	Whitten
Curtis	Martin, Mass.	Widnall
Dague	Martin, Nebr.	Williams
Derounian	Mathias	Wilson, Ind.
Derwinski	May	Winstead
Devine	Meador	Wydler
Dole	Michel	Wyman
Dorn	Miller, N.Y.	Younger
Dwyer	Minshall	

NAYS—223

Addabbo	Carey	Edmondson
Albert	Casey	Edwards
Ashley	Celler	Everett
Ashmore	Chelf	Evins
Aspinall	Clark	Fallon
Barrett	Colahan	Farbstein
Bass	Cooley	Fascell
Beckworth	Corbett	Feighan
Blatnik	Corman	Finnegan
Boggs	Daddario	Flood
Bolland	Daniels	Flynt
Bolling	Davis, Ga.	Fogarty
Bonner	Davis, Tenn.	Forrester
Brademas	Dawson	Fraser
Brooks	Delaney	Friedel
Brown, Calif.	Dent	Fulton, Pa.
Buckley	Denton	Fulton, Tenn.
Burke	Diggs	Fuqua
Burkhalter	Dingell	Gallagher
Burton, Calif.	Donohue	Garmatz
Byrne, Pa.	Downing	Gary
Cameron	Dulski	Gathings
Cannon	Duncan	Gialmo

Gibbons	Madden	Rooney, Pa.
Gill	Mahon	Roosevelt
Gonzalez	Matthews	Rosenthal
Grabowski	Miller, Calif.	Rostenkowski
Gray	Mills	Roush
Green, Oreg.	Minish	Roybal
Hagan, Ga.	Monagan	Ryan, Mich.
Hagen, Calif.	Montoya	Ryan, N.Y.
Halpern	Moore	St Germain
Hanna	Moorhead	St. Onge
Hansen	Morgan	Saylor
Harding	Morris	Scott
Harris	Morrison	Secrest
Hawkins	Moss	Senner
Hays	Multer	Shibley
Healey	Murphy, Ill.	Sickles
Hébert	Murphy, N.Y.	Sikes
Hechler	Natcher	Sisk
Hemphill	Nedzi	Slack
Henderson	Nix	Smith, Iowa
Herlong	O'Brien, N.Y.	Staebler
Holifield	O'Hara, Ill.	Staggers
Holland	O'Hara, Mich.	Steed
Huddleston	O'Konski	Stephens
Hull	Olsen, Mont.	Stratton
Ichord	Olson, Minn.	Stubblefield
Jennings	O'Neill	Sullivan
Jeolson	Patman	Taylor
Johnson, Calif.	Patten	Thomas
Johnson, Wis.	Pepper	Thompson, La.
Jones, Ala.	Perkins	Thompson, Tex.
Jones, Mo.	Philbin	Toll
Karsten	P'ckle	Trimble
Karth	Pilcher	Tuten
Kastenmeier	Poage	Udall
Kee	Pool	Ullman
Kelly	Powell	Van Deerlin
Keogh	Price	Vanik
King, Calif.	Pucinski	Vinson
Kirwan	Purcell	Watson
Kluczynski	Rains	Watts
Kornegay	Randall	Weltner
Landrum	Reuss	White
Leggett	Rhodes, Pa.	Whitener
Lesinski	Rivers, Alaska	Wickersham
Libonati	Rivers, S.C.	Willis
Long, La.	Roberts, Ala.	Wilson
Long, Md.	Rodino	Charles H.
McDowell	Rogers, Colo.	Wright
McFall	Rogers, Fla.	Young
McMillan	Rogers, Tex.	Zablocki
Macdonald	Rooney, N.Y.	

NOT VOTING—15

Burleson	Lankford	Sheppard
Dowdy	Matsunaga	Teague, Tex.
Elliott	Milliken	Thompson, N.J.
Gilbert	Murray	Waggonner
Griffiths	O'Brien, Ill.	Wilson, Bob

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Teague of Texas for, with Mr. Gilbert against.

Mr. Waggonner for, with Mr. Dowdy against.

Mr. Bob Wilson for, with Mr. Matsunaga against.

Until further notice.

Mrs. Griffiths with Mr. Lankford.
Mr. Thompson of New Jersey with Mr. O'Brien of Illinois.

Mr. Elliott with Mr. Sheppard.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HOEVEN. Mr. Speaker, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

The question was taken; and there were—yeas 229, nays 189, not voting 15, as follows:

[Roll No. 99]

YEAS—229

Addabbo	Bennett, Mich.	Brown, Calif.
Albert	Blatnik	Buckley
Ashley	Boggs	Burke
Ashmore	Boland	Burkhalter
Aspinall	Bolling	Burton, Calif.
Barrett	Bonner	Byrne, Pa.
Bass	Brademas	Cameron
Beckworth	Brooks	Cannon

Carey	Huddleston	Purcell
Cclier	Hull	Rains
Chelf	Ichord	Randall
Clark	Jennings	Rcuss
Cohelan	Joelson	Rhodes, Pa.
Colmer	Johnson, Calif.	Rich
Cooley	Johnson, Wis.	Rivers, Alaska
Corbett	Jones, Ala.	Rivers, S.C.
Corman	Jones, Mo.	Roberts, Ala.
Daddario	Karsten	Rodino
Daniels	Karth	Rogers, Colo.
Davis, Ga.	Kastenmeyer	Rogers, Fla.
Davis, Tenn.	Kee	Rogers, Tex.
Dawson	Kelly	Rooney, N.Y.
Delaney	Keogh	Rooney, Pa.
Dent	King, Calif.	Roosevelt
Denton	Kirwan	Rosenthal
Diggs	Kluczynski	Rostenkowski
Dingell	Kornegay	Roush
Donohue	Landrum	Roybal
Dulski	Leggett	Ryan, Mich.
Duncan	Lesinski	Ryan, N.Y.
Dwyer	Libonati	St Germain
Edmondson	Long, La.	St. Onge
Edwards	Long, Md.	Saylor
Everett	McDade	Schweiker
Evins	McDowell	Scott
Fallon	McFall	Secrest
Farbstein	McMillan	Senner
Fasceli	Madden	Shipley
Feighan	Mahon	Sickles
Finnegan	Matthews	Sikes
Fino	Miller, Calif.	Siler
Flood	Mills	Sisk
Flynt	Minish	Slack
Fogarty	Monagan	Smith, Iowa
Forrester	Montoya	Staebler
Fountain	Moore	Staggers
Fraser	Moorhead	Steed
Friedel	Morgan	Stephens
Fulton, Pa.	Morris	Stratton
Fulton, Tenn.	Morrison	Stubblefield
Fuqua	Moss	Sullivan
Gallagher	Multer	Taylor
Garmatz	Murphy, Ill.	Thomas
Gathings	Murphy, N.Y.	Thompson, La.
Giulmo	Natcher	Thompson, Tex.
Gibbons	Nedzi	Toll
Gill	Nix	Trimble
Gonzalez	O'Brien, N.Y.	Tuten
Grabowski	O'Hara, Ill.	Udall
Gray	O'Hara, Mich.	Ullman
Green, Oreg.	O'Konski	Van Deerlin
Hagan, Ga.	Olsen, Mont.	Vanik
Hagen, Calif.	Olson, Minn.	Vinson
Halpern	O'Neill	Watson
Hanna	Patman	Watts
Hansen	Patten	White
Harding	Pepper	Whitener
Haris	Perkins	Whitten
Hawkins	Philbin	Wickersham
Hays	Pickie	Willis
Healey	Pike	Wilson,
Hechler	Pilcher	Charles H.
Hemphill	Poage	Winstead
Henderson	Pool	Wright
Herlong	Powell	Young
Hollfield	Price	Zablocki
Holland	Pucinski	

NAYS—189

Abbitt	Broomfield	Foreman
Abele	Brotzman	Frelinghuysen
Abernethy	Brown, Ohio	Gary
Adair	Broyhill, N.C.	Glenn
Alger	Broyhill, Va.	Goodell
Anderson	Bruce	Goodling
Andrews, Ala.	Burton, Utah	Grant
Andrews, N. Dak.	Byrnes, Wis.	Griffin
Arends	Cahill	Gross
Ashbrook	Casey	Grover
Auchincloss	Cederberg	Gubser
Avery	Chamberlain	Gurney
Ayres	Chenoweth	Haley
Baker	Clancy	Hall
Baldwin	Clausen,	Halleck
Baring	Don H.	Hardy
Barry	Clawson, Del	Harrison
Bates	Cleveland	Harsha
Battin	Collier	Harvey, Ind.
Becker	Conte	Harvey, Mich.
Beermann	Cramer	Hébert
Belcher	Cunningham	Hoeven
Bell	Curtin	Horan
Bennett, Fla.	Curtis	Horton
Berry	Dague	Hosmer
Betts	Derounian	Hutchinson
Bolton,	Derwinski	Jarman
Frances P.	Devine	Jensen
Bolton,	Dole	Johansen
Oliver P.	Dorn	Johnson, Pa.
Bow	Downing	Jonas
Bray	Ellsworth	Keith
Brock	Findley	Kilburn
Bromwell	Fisher	Kilgore
	Ford	King, N.Y.

Knox	Nelsen	Smith, Calif.
Kunkel	Norblad	Smith, Va.
Kyl	Osmers	Snyder
Laird	Ostertag	Springer
Langen	Passman	Stafford
Latta	Pelly	Stinson
Lennon	Pillion	Taft
Lindsay	Pirnie	Talcott
Lipscomb	Poff	Teague, Calif.
Lloyd	Quile	Thomson, Wis.
McClory	Quillen	Tollefson
McCulloch	Reid, Ill.	Tuck
McIntire	Reid, N.Y.	Tupper
McLoskey	Reifel	Utt
Macdonald	Rhodes, Ariz.	Van Peit
MacGregor	Riehlman	Wallhauser
Maillard	Roberts, Tex.	Weaver
Marsh	Robison	Weltner
Martin, Calif.	Roudebush	Westland
Martin, Mass.	Rumsfeld	Whalley
Martin, Nebr.	St. George	Wharton
Mathias	Schadberg	Widnall
May	Schenck	Williams
Meader	Schneebeli	Wilson, Bob
Michel	Schwengel	Wilson, Ind.
Miller, N.Y.	Selden	Wylder
Minshall	Short	Wyman
Morse	Shriver	Younger
Morton	Sibal	
Mosher	Skubitz	

NOT VOTING—15

Burleson	Hoffman	O'Brien, Ill.
Dowdy	Lankford	Sheppard
Elliott	Matsunaga	Teague, Tex.
Gilbert	Milliken	Thompson, N.J.
Griffiths	Murray	Waggonner

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Gilbert for, with Mr. Teague of Texas against.

Mr. Dowdy for, with Mr. Waggonner against.

Until further notice:

Mrs. Griffiths with Mr. Lankford.

Mr. Thompson of New Jersey with Mr. O'Brien of Illinois.

Mr. Elliott with Mr. Sheppard.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE COTTON-WHEAT ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 665 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 6196) to encourage increased consumption of cotton, to maintain the income of cotton producers, to provide a special research program designed to lower costs of production, and for other purposes, with the Senate amendments thereto, be, and the same is hereby taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby agreed to.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. Brown] and, pending that, I yield myself such time as I may consume.

Mr. Speaker, I have a strange feeling I have been here before. Five hours ago, or roughly so, I called up this resolution. In the 10 years I have been on the Rules Committee I believe this is the longest it has taken me to get started on a resolution.

I made my remarks on this resolution 5 hours, or roughly so, and I do not propose to repeat them. I am not quite clear

as to whether I should ask unanimous consent to have them repeated at this time in the RECORD, but I have decided not to.

GENERAL LEAVE TO EXTEND REMARKS

Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks at the conclusion of debate on this resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I reserve the balance of my time.

(Mr. ALBERT (at the request of Mr. BOLLING) was given permission to extend his remarks at this point in the RECORD.)

Mr. ALBERT. Mr. Speaker, in view of the criticism which various Members have made of the procedure under which the Senate amendments to H.R. 6196 have been made in order, perhaps some rebuttal should be made at this time. It has been charged that the procedure is unprecedented and has not been used before as respects a bill within the jurisdiction of the Committee on Agriculture. The truth of the matter is that it was used in the House as far back as 1932—Cannon's Precedents of the House of Representatives, volume VIII, paragraph 3149—and a variation of it was used in 1903—Hinds, Precedents of the House of Representatives, volume IV, paragraph 3250.

It is by no means unknown but instead is an established practice of the House.

As for its never having been used as respects an agriculture bill before, this statement is, of course, countered by reference to its use in the 87th Congress as respects the honey-bee importation bill and the addition thereto by the Senate of additional amendments to the extension of the Sugar Act—House Resolution 726, 87th Congress. It might be pointed out that the Senate amendment in that situation, that is, the addition of amendments to the extension of the Sugar Act, to a bill restricting the importation of adult honey bees, was certainly no less significant in scope than the addition of the Senate wheat amendment to H.R. 6196.

The charge that the amendment carries a revenue provision and should have originated in the House and have been considered in the Committee on Ways and Means is without foundation.

The so-called revenue provision results from the fact that manufacturers of wheat products must purchase "certificates" either from the producers or the Government in respect to all the wheat they process. It is charged that this is an excise or processing tax. However, the minority report on H.R. 9780—the House bill on wheat similar to the Senate amendment to H.R. 6196—which was reported from the Committee on Agriculture on March 17, 1964—House Report No. 1239, 88th Congress—on page 39, merely states:

Boiled down to its simplest terms, this plan is basically patterned after an excise or processing tax.

The 70 cents a bushel which a processor will pay for each certificate on do-

mestic food wheat is a charge which will be passed on to consumers like any other cost factor. It is not such a "revenue item" as is contemplated by article I, section 7 of the Constitution since it does not "raise revenue" as such. It simply implements the return secured to the producer.

In addition, to our knowledge, this factor was not considered separately by the Finance Committee in the Senate as such items usually are if they are genuine revenue-raising items. Neither to our knowledge, has any effort been made to have this same feature of the House bill on wheat—H.R. 9780, which is identical to the Senate amendment to H.R. 6196—considered in the Committee on Ways and Means.

Finally, the distinction between provisions to "raise revenue" in the constitutional sense, and others has been well defined by the courts. The construction of this limitation—article I, section 7—is practically well settled by the uniform action of Congress. According to that construction it "has been confined to bills to levy taxes in the strict sense of the word, and has not been held to extend to bills for other purposes which incidentally create revenue." Story on the Constitution (sec. 880, *U.S. v. Norton*, 91 U.S. 566, 569 (October 1875 term)).

And, in *Twin City Bank v. Nebeker* (67 U.S. 196 (1897)), where the Supreme Court was concerned with a section of the National Banking Act which imposed taxes on each banking association based upon the average amount of notes in circulation, a bill which originated in the Senate, the court held that it was not a "revenue raising" measure in the constitutional sense.

In any case, even if the provision in the Senate amendment is a tax provision—and this is doubtful—the bill and the provision are certainly not revenue raising in the constitutional sense, there is no need to have the amendment considered by the Committee on Ways and Means.

It has been charged that the procedure suspends and violates the rules of the House.

All of these charges are based upon the assumption that the rules cannot be waived through the use of special orders. This, of course, is not so. It is the specific function of the Committee on Rules to issue such orders.

House rule XI, paragraph 16, subparagraph (a) grants the Committee on Rules jurisdiction over "(a) the rules, joint rules, and order of business of the House."

As set forth on page 353 of the House Manual—House Document No. 619, 87th Congress:

Since 1883 the Committee on Rules has reported special orders providing times and methods for consideration of special bills or classes of bills, thereby enabling the House by majority vote to forward particular legislation, instead of being forced to use for the purpose the motion to suspend the rules, which requires a two-thirds vote.

The Committee on Rules is merely performing its function to report out a special order such as—House Resolution 665—for which there is plenty of precedent.

The Committee on Rules was functioning within the rules in reporting out the special order since it has leave, under rule XI, paragraph 21, to report at any time "on rules, joint rules, and order of business"—and see rule XI, paragraph 22.

There is no question of the power of the Committee on Rules to report such a special order as House Resolution 665. It can report special orders for the consideration of a specified amendment to a bill and its mode of consideration—Cannon's Precedents of the House of Representatives, volume VII, paragraphs 782-784; volume VIII, paragraph 2258—it can provide for suspension of the rules by majority vote—Cannon's, supra, volume VIII, paragraph 3393—it can provide for waiving all points of order against a proposition authorized for consideration—Cannon's supra, volume VIII, paragraph 769—it can provide for a bill or resolution to be considered without amendment—see House Resolution 205 of the 76th Congress—it can provide for limitation on the time for debate—Cannon's supra, volume VIII, paragraph 2461.

Use of such special orders is another House procedure within the four corners of the rules. For instance, special orders may be made by unanimous consent, by suspension of the rules, or on report from the Committee on Rules. Each is an acceptable and traditional form. No "rule" is suspended or violated when one form is used rather than another.

Furthermore, when charges are made that a special order suspends or violates House rules—the purpose of special orders is, of course, to set aside certain House rules—some consideration must be given to House practices. For instance, although the House rules provide that House bills with Senate amendments which are of such nature as to be considered in Committee of the Whole, should, in effect, be sent to the standing committees, the more frequent practice is to ask unanimous consent that they be sent to conference or in the event there is objection thereto, adopt a special resolution from the Committee on Rules taking the bill with amendments from the Speaker's table and sending it to conference.

This is a suspension of the rules, but it is an accepted practice. In fact, it may be truly said that the rules it is charged are being bypassed are in reality little resorted to in practice.

Another instance where practice tends to bypass or suspend a rule is in the procedure for going forward with the daily order of business. Parts of rule XXIV, paragraph 1, in this respect, have been virtually abandoned.

Since there is no question of the power of the Committee on Rules to report a special order such as House Resolution 665, the significant aspect is the policy reason tendered in support of the adoption of such an order.

This is often broader in scope than the question of adhering rigidly to the written rules. The statement by House Parliamentarian, Asher C. Hinds—Hinds, Precedents of the House of Representa-

tives, volume IV, paragraph 3152—is often cited in this respect:

The Committee on Rules officiates as to the consideration of bills only when, for some reason, the ordinary method prescribed by the rules for the order of business is not satisfactory or produces delay.

The reasons for the selection of the special order method were discussed by me in my remarks in the RECORD on March 17, 1964, at page 5322. These related to the need for the early passage of the wheat legislation because of the imminence of the planting season and the necessity of implementing Government economic policy vis-a-vis a significant segment of the farming population.

Related to this is the uncertain parliamentary situation in the Senate flowing from the civil rights debate. There is no certainty that if the bill were sent to conference a satisfactory measure could be worked out within the limited time available. The same conclusion would follow if the Committee on Rules had adopted the proposal that the special order permits House amendment of the Senate amendment. Here again, uncertainties as to the working out of a final measure in view of the parliamentary situation in the Senate preclude this procedure.

And as for the suggestion that the special order should permit 2 hours of debate rather than 1, the answer to this is that the traditional procedure under such special orders is for 1 hour of debate divided equally.

Other considerations involve the charge that the Senate amendment should be debated and discussed at length and therefore the procedure under the special order is unsatisfactory.

This charge, however, is refuted in effect, by the minority report to H.R. 9780—page 34. It states, "We do not think that the 40-year-old wheat certificate approach meets the needs of modern America." This, inferentially, means that the proposal is well known to Congress.

The same point was made by the gentleman from North Carolina, Mr. Cooley, in his remarks in the RECORD on March 26, 1964, page 6185, when he spoke of the 30 years' experience with the wheat program in the county, and the long discussion of it by the House over this period.

In other words, the extensive debate demanded by opponents of House Resolution 665 has been going on for many years. It is not necessary at this point to go over ground that has been covered so many times. This has been a sustaining reason behind the adoption of many special orders in the past similar to House Resolution 665.

And, if opponents of House Resolution 665 desire an alternative approach—as mentioned in the minority report to H.R. 9780—they can vote against House Resolution 665 and attempt to secure its defeat.

Thus, the charge that the rules are being bypassed is, in effect, a debater's point. The rules are being bypassed by a procedure acceptable to the House and the rules and which is a traditional practice. The rules are similarly bypassed when the Committee on Rules

88TH CONGRESS
2D SESSION

H. R. 10222

88TH CONGRESS
2D SESSION

H. R. 10222

IN THE SENATE OF THE UNITED STATES

APRIL 9 (legislative day, MARCH 30), 1964

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as “The Food Stamp Act of
4 1964”.

DECLARATION OF POLICY

6 SEC. 2. It is hereby declared to be the policy of Con-
7 gress, in order to promote the general welfare, that the

1 Nation's abundance of food should be utilized cooperatively
2 by the States, the Federal Government, and local govern-
3 mental units to the maximum extent practicable to safeguard
4 the health and well-being of the Nation's population and
5 raise levels of nutrition among economically needy house-
6 holds. The Congress hereby finds that increased utilization
7 of foods in establishing and maintaining adequate national
8 levels of nutrition will tend to cause the distribution in a
9 beneficial manner of our agricultural abundances and will
10 strengthen our agricultural economy, as well as result in more
11 orderly marketing and distribution of food. To effectuate
12 the policy of Congress and the purposes of this Act, a food
13 stamp program, which will permit those households in eco-
14 nomic need to receive a greater share of the Nation's food
15 abundance, is herein authorized.

16 **DEFINITIONS**

17 **SEC. 3.** As used in this Act—

18 (a) The term "Secretary" means the Secretary of
19 Agriculture.

20 (b) The term "food" means any food or food product
21 for human consumption except alcoholic beverages, tobacco,
22 soft drinks, luxury foods, and luxury frozen foods as deter-
23 mined by the Secretary, and those foods which are identified
24 on the package as being imported from foreign sources when
25 they arrive at the retail store.

1 (c) The term "coupon" means any coupon, stamp, or
2 type of certificate issued pursuant to the provisions of this
3 Act.

4 (d) The term "coupon allotment" means the total value
5 of coupons to be issued to a household during each month or
6 other time period.

7 (e) The term "household" shall mean a group of re-
8 lated or nonrelated individuals, who are not residents of an
9 institution or boarding house, but are living as one economic
10 unit sharing common cooking facilities and for whom food
11 is customarily purchased in common. The term "household"
12 shall also mean a single individual living alone who has cook-
13 ing facilities and who purchases and prepares food for home
14 consumption.

15 (f) The term "retail food store" means an establish-
16 ment, including a recognized department thereof, or a house-
17 to-house trade route which sells food to households for home
18 consumption.

19 (g) The term "wholesale food concern" means an
20 establishment which sells food to retail food stores for resale
21 to households.

22 (h) The term "State agency" means the agency of the
23 State government which has responsibility for the admin-
24 istration of the federally aided public assistance programs.

1 (i) The term "bank" means member or nonmember
2 banks of the Federal Reserve System.

3 (j) The term "State" means the fifty States and the
4 District of Columbia.

5 (k) The term "food stamp program" means any pro-
6 gram promulgated pursuant to the provisions of this Act.

7 ESTABLISHMENT OF THE FOOD STAMP PROGRAM

8 SEC. 4. (a) The Secretary is authorized to formulate
9 and administer a food stamp program under which, at the
10 request of an appropriate State agency, eligible households
11 within the State shall be provided with an opportunity more
12 nearly to obtain a nutritionally adequate diet through the
13 issuance to them of a coupon allotment which shall have a
14 greater monetary value than their normal expenditures for
15 food. The coupons so received by such households shall be
16 used only to purchase food from retail food stores which have
17 been approved for participation in the food stamp program.
18 Coupons issued and used as provided in this Act shall be re-
19 deemable at face value by the Secretary through the facilities
20 of the Treasury of the United States.

21 (b) The Secretary shall issue such regulations, not
22 inconsistent with this Act, as he deems necessary or appro-

1 puate for the effective and efficient administration of the
2 food stamp program.

3 ELIGIBLE HOUSEHOLDS

4 SEC. 5. (a) Households eligible to participate in the
5 food stamp program shall be those whose economic status
6 is such as to be a substantial limiting factor in the attainment
7 of a nutritionally adequate diet.

8 (b) Each State shall establish standards to determine
9 the eligibility of applicant households which standards,
10 among other things, shall take into account such of the
11 factors used by each State in granting assistance under the
12 federally aided public assistance programs as the Secretary
13 determines will tend to effectuate the purposes of the food
14 stamp program. The standards of eligibility to be used by
15 each State for the food stamp program shall be subject to the
16 approval of the Secretary.

17 ISSUANCE AND USE OF COUPONS

18 SEC. 6. (a) Coupons shall be printed in such denomina-
19 tions as may be determined to be necessary, and shall be
20 issued only to households which have been duly certified as
21 eligible to participate in the food stamp program.

22 (b) Coupons issued to eligible households shall be used
23 by them only to purchase food in retail food stores which

1 have been approved for participation in the food stamp
2 program at prices prevailing in such stores: *Provided*, That
3 nothing in this Act shall be construed as authorizing the
4 Secretary to specify the prices at which food may be sold by
5 wholesale food concerns or retail food stores.

6 (c) Coupons issued to eligible households shall be simple
7 in design and shall include only such words or illustrations
8 as are required to explain their purpose and define their
9 denomination. The name of any public official shall not
10 appear on such coupons.

11 VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE
12 MADE

13 SEC. 7. (a) The face value of the coupon allotment
14 which State agencies shall be authorized to issue to house-
15 holds certified as eligible to participate in the food stamp
16 program shall be in such amount as will provide such house-
17 holds with an opportunity more nearly to obtain a nutri-
18 tionally adequate diet.

19 (b) Households shall be charged such portion of the
20 face value of the coupon allotment issued to them as is de-
21 termined to be equivalent to their normal expenditures for
22 food.

23 (c) The value of the coupon allotment provided to any
24 eligible household which is in excess of the amount charged
25 such households for such allotment shall not be considered

1 to be income or resources for any purpose under any Fed-
2 eral or State laws including, but not limited to, laws re-
3 lating to taxation, welfare, and public assistance programs.

4 (d) Funds derived from the charges made for the
5 coupon allotment shall be promptly deposited in a manner
6 prescribed in the regulations issued pursuant to this Act, in
7 a separate account maintained in the Treasury of the United
8 States for such purpose. Such deposits shall be available,
9 without limitation to fiscal years, for the redemption of
10 coupons.

11 APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD
12 CONCERNS

13 SEC. 8. (a) Regulations issued pursuant to this Act
14 shall provide for the submission of applications for approval
15 by retail food stores and wholesale food concerns which
16 desire to be authorized to accept and redeem coupons under
17 the food stamp program and for the approval of those appli-
18 cants whose participation will effectuate the purposes of
19 the food stamp program. In determining the qualifications
20 of applicants there shall be considered among such other
21 factors as may be appropriate, the following: (1) the nature
22 and extent of the retail or wholesale food business conducted
23 by the applicant; (2) the volume of coupon business which
24 may reasonably be expected to be conducted by the appli-
25 cant retail food store or wholesale food concern; and (3)

1 the business integrity and reputation of the applicant. Ap-
2 proval of an applicant shall be evidenced by the issuance to
3 such applicant of a nontransferable certificate of approval.

4 (b) Regulations issued pursuant to this Act shall re-
5 quire an applicant retail food store or wholesale food concern
6 to submit information which will permit a determination
7 to be made as to whether such applicant qualifies, or con-
8 tinues to qualify, for approval under the provisions of this
9 Act or the regulations issued pursuant to this Act. Regula-
10 tions issued pursuant to this Act shall provide for safeguards
11 which restrict the use or disclosure of information obtained
12 under the authority granted by this subsection to purposes
13 directly connected with administration and enforcement of
14 the provisions of this Act or the regulations issued pursuant
15 to this Act.

16 (c) Any retail food store or wholesale food concern
17 which has failed upon application to receive approval to par-
18 ticipate in the food stamp program may obtain a hearing
19 on such refusal as provided in section 13 of this Act.

20 REDEMPTION OF COUPONS

21 SEC. 9. Regulations issued pursuant to this Act shall
22 provide for the redemption of coupons accepted by retail
23 food stores through approved wholesale food concerns or
24 through banks, with the cooperation of the Treasury Depart-
25 ment.

ADMINISTRATION

1
2 SEC. 10. (a) All practicable efforts shall be made in the
3 administration of the food stamp program to insure that
4 participants use their increased food purchasing power to
5 obtain those staple foods most needed in their diets, and
6 particularly to encourage the continued use of those in abun-
7 dant or surplus supply so as not to reduce the total consump-
8 tion of surplus commodities which have been made available
9 through direct distribution. In addition to such steps as
10 may be taken administratively, the voluntary cooperation of
11 existing Federal, State, local, or private agencies which
12 carry out informational and educational programs for con-
13 sumers shall be enlisted.

14 (b) The State agency of each participating State shall
15 assume responsibility for the certification of applicant house-
16 holds and for the issuance of coupons: *Provided*, That the
17 State agency may, subject to State law, delegate its
18 responsibility in connection with the issuance of cou-
19 pons to another agency of the State government. There
20 shall be kept such records as may be necessary to ascertain
21 whether the program is being conducted in compliance with
22 the provisions of this Act and the regulations issued pursuant
23 to this Act. Such records shall be available for inspection
24 and audit at any reasonable time and shall be preserved

1 for such period of time, not in excess of three years, as may be
2 specified in the regulations.

3 (c) In the certification of applicant households for the
4 food stamp program there shall be no discrimination against
5 any household by reason of race, religious creed, national
6 origin, or political beliefs.

7 (d) Participating States or participating political sub-
8 divisions thereof shall not decrease welfare grants or other
9 similar aid extended to any person or persons as a conse-
10 quence of such person's or persons' participation in benefits
11 made available under the provisions of this Act or the regu-
12 lations issued pursuant to this Act.

13 (e) The State agency of each State desiring to par-
14 ticipate in the food stamp program shall submit for approval
15 a plan of operation specifying the manner in which such
16 program will be conducted within the State, the political
17 subdivisions within the State in which the State desires to
18 conduct the program, and the effective dates of participation
19 by each such political subdivision. In addition, such plan of
20 operation shall provide, among such other provisions as may
21 by regulation be required, the following: (1) the specific
22 standards to be used in determining the eligibility of appli-
23 cant households; (2) that the State agency shall undertake
24 the certification of applicant households in accordance with
25 the general procedures and personnel standards used by them

1 in the certification of applicants for benefits under the fed-
2 erally aided public assistance programs; (3) safeguards
3 which restrict the use or disclosure of information obtained
4 from applicant households to persons directly connected with
5 the administration or enforcement of the provisions of this
6 Act or the regulations issued pursuant to this Act; and
7 (4) for the submission of such reports and other information
8 as may from time to time be required.

9 (f) If the Secretary determines that in the adminis-
10 tration of the program there is a failure by a State agency to
11 comply substantially with the provisions of this Act, or with
12 the regulations issued pursuant to this Act, or with the State
13 plan of operation, he shall inform such State agency of such
14 failure and shall allow the State agency a reasonable period
15 of time for the correction of such failure. Upon the expira-
16 tion of such period, the Secretary shall direct that there be
17 no further issuance of coupons in the political subdivisions
18 where such failure has occurred until such time as satisfactory
19 corrective action has been taken.

20 DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLE-

21 SALE FOOD CONCERNS

22 SEC. 11. Any approved retail food store or wholesale
23 food concern may be disqualified from further participation
24 in the food stamp program on a finding, made as specified
25 in the regulations, that such store or concern has violated

1 any of the provisions of this Act, or of the regulations issued
2 pursuant to this Act. Such disqualification shall be for such
3 period of time as may be determined in accordance with
4 regulations issued pursuant to this Act. The action of dis-
5 qualification shall be subject to review as provided in section
6 13 of this Act.

7 DETERMINATION AND DISPOSITION OF CLAIMS

8 SEC. 12. The Secretary shall have the power to deter-
9 mine the amount of and settle and adjust any claim and to
10 compromise or deny all or part of any such claim or claims
11 arising under the provisions of this Act or the regulations
12 issued pursuant to this Act.

13 ADMINISTRATIVE AND JUDICIAL REVIEW

14 SEC. 13. Whenever—

15 (a) an application of a retail food store or wholesale
16 food concern to participate in the food stamp program is
17 denied,

18 (b) a retail food store or a wholesale food concern
19 is disqualified under the provisions of section 11 of this
20 Act, or

21 (c) all or part of any claim of a retail food store or
22 wholesale food concern is denied under the provisions of
23 section 12 of this Act, notice of such administrative
24 action shall be issued to the retail food store or whole-
25 sale food concern involved. Such notice shall be deliv-

ered by certified mail or personal service. If such store or concern is aggrieved by such action, it may, in accordance with regulations promulgated under this Act, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available, shall be reviewed by the person or persons designated, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect fifteen days after the date of the delivery or service of such final notice of determination. If the store or concern feels aggrieved by such final determination he may obtain judicial review thereof by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business, or in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final

1 notice of determination upon him, requesting the court
2 to set aside such determination. The copy of the sum-
3 mons and complaint required to be delivered to the
4 official or agency whose order is being attacked shall be
5 sent to the Secretary or such person or persons as he
6 may designate to receive service of process. The suit
7 in the United States district court or State court shall
8 be a trial de novo by the court in which the court shall
9 determine the validity of the questioned administrative
10 action in issue. If the court determines that such ad-
11 ministrative action is invalid it shall enter such judgment
12 or order as it determines is in accordance with the law
13 and the evidence. During the pendency of such judicial
14 review, or any appeal therefrom, the administrative
15 action under review shall be and remain in full force and
16 effect, unless an application to the court on not less
17 than ten days' notice, and after hearing thereon and a
18 showing of irreparable injury, the court temporarily
19 stays such administrative action pending disposition of
20 such trial or appeal.

21 VIOLATIONS AND ENFORCEMENT

22 SEC. 14. (a) Notwithstanding any other provisions of
23 this Act, the Secretary may provide for the issuance or pre-
24 sentment for redemption of coupons to such person or per-
25 sons, and at such times and in such manner, as he deems

1 necessary or appropriate to protect the interests of the
2 United States or to insure enforcement of the provisions of
3 this Act or the regulations issued pursuant to this Act.

4 (b) Whoever knowingly uses, transfers, acquires, or
5 possesses coupons in any manner not authorized by this Act
6 or the regulations issued pursuant to this Act shall, if such
7 coupons are of the value of \$100 or more, be guilty of a
8 felony and shall, upon conviction thereof, be fined not more
9 than \$10,000 or imprisoned for not more than five years, or
10 both, or, if such coupons are of a value of less than \$100,
11 shall be guilty of a misdemeanor and shall, upon conviction
12 thereof, be fined not more than \$5,000 or imprisoned for not
13 more than one year, or both.

14 (c) Whoever presents, or causes to be presented,
15 coupons for payment or redemption of the value of \$100
16 or more, knowing the same to have been received, trans-
17 ferred, or used in any manner in violation of the provisions
18 of this Act or the regulations issued pursuant to this Act
19 shall be guilty of a felony and shall, upon conviction thereof,
20 be fined not more than \$10,000 or imprisoned for not more
21 than five years, or both, or, if such coupons are of a value
22 of less than \$100, shall be guilty of a misdemeanor and shall,
23 upon conviction thereof, be fined not more than \$5,000 or
24 imprisoned for not more than one year, or both.

25 (d) Coupons issued pursuant to this Act shall be

1 deemed to be obligations of the United States within the
2 meaning of title 18, United States Code, section 8.

3 COOPERATION WITH STATE AGENCIES

4 SEC. 15. (a) Each State shall be responsible for financ-
5 ing, from funds available to the State or political sub-
6 division thereof, the costs of carrying out the administrative
7 responsibilities assigned to it under the provisions of this Act.
8 Except as provided for in subsection (b) of this section, such
9 costs shall include, but shall not be limited to, the certifica-
10 tion of households; the acceptance, storage, and protection of
11 coupons after their delivery to receiving points within the
12 States; and the issuance of such coupons to eligible house-
13 holds and the control and accounting therefor.

14 (b) The Secretary is authorized to cooperate with State
15 agencies in the certification of households which are not re-
16 ceiving any type of public assistance so as to insure the effec-
17 tive certification of such households in accordance with the
18 eligibility standards approved under the provisions of section
19 10 of this Act. Such cooperation shall include payments to
20 State agencies for part of the cost they incur in the certifica-
21 tion of such households. The amount of such payment to
22 any one State agency shall be 50 per centum of the sum of:
23 (1) the direct salary costs (including the cost of such fringe
24 benefits as are normally paid to its personnel by the State
25 agency) of the personnel used to make such interviews and

1 such postinterview field investigations as are necessary to
2 certify the eligibility of such households, and of the immediate
3 supervisor of such personnel, for such periods of time as they
4 are employed in certifying the eligibility of such households;
5 (2) travel and related costs incurred by such personnel in
6 postinterview field investigations of such households; and
7 (3) an amount not to exceed 25 per centum of the costs
8 computed under (1) and (2) above.

9 APPROPRIATIONS

10 SEC. 16. (a) To carry out the provisions of this Act,
11 there is hereby authorized to be appropriated not in excess of
12 \$25,000,000 for the fiscal year ending June 30, 1964; not
13 in excess of \$75,000,000 for the fiscal year ending June 30,
14 1965; not in excess of \$100,000,000 for the fiscal year end-
15 ing June 30, 1966; and not in excess of \$200,000,000 for the
16 fiscal year ending June 30, 1967. Such portion of any such
17 appropriation as may be required to pay for the value of the
18 coupon allotments issued to eligible households which is in
19 excess of the charges paid by such households for such al-
20 lotments shall be transferred to and made a part of the
21 separate account created under section 7 (d) of this Act.

22 (b) In any fiscal year, the Secretary shall limit the
23 value of those coupons issued which is in excess of the value
24 of coupons for which households are charged, to an amount
25 which is not in excess of the portion of the appropriation

1 for such fiscal year which is transferred to the separate
2 account under the provisions of subsection (a) of this section.

3 (c) If the Secretary determines that any of the funds
4 in the separate account created under section 7 (d) of this
5 Act are no longer required to carry out the provisions of this
6 Act, such portion of such funds shall be paid into the mis-
7 cellaneous receipts of the Treasury.

8 (d) Amounts expended under the authority of this Act
9 shall not be considered amounts expended for the purpose of
10 carrying out the agricultural price-support program and
11 appropriations for the purposes of this Act shall be consid-
12 ered, for the purpose of budget presentations, to relate to
13 the functions of the Government concerned with welfare.

Passed the House of Representatives April 8, 1964.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

APRIL 9 (legislative day, March 30), 1964
Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 7, 1964
For actions of May 6, 1964
88th-2nd; No. 90

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HIGHLIGHTS: Sen. Neuberger inserted articles stating concern with health hazards of smoking. Sen. McIntyre commended work of rural areas development committees. Sen. Proxmire urged indemnity payments to farmers for loss caused by pesticides in milk. Several Representatives debated merits of proposed poverty program. House committee granted permission to file reports by Fri. on agricultural and deficiency appropriation bills. House passed State-Justice-Commerce appropriation bill. Rep. Alger criticized food stamp bill. Rep. Langen criticized pasture improvement provisions of proposed Appalachia program. Rep. Cooley inserted his statement to Rules Committee in support of land and water conservation fund bill.

HOUSE

1. STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1965. By a vote of 312 to 40, passed without amendment this bill, H. R. 11134 (pp. 9893-9915). By a vote of 55 to 64, rejected an amendment by Rep. Gross to provide that funds in the bill could not be used for the establishment of a National Service Corps or similar domestic Peace Corps type programs (p. 9914).

This bill includes items for the Area Redevelopment Administration, contributions to international organizations (including Food and Agriculture Organization, International Wheat Council, Inter-American Institute of Agricultural Sciences, and International Coffee Organization), Bureau of the Census, Weather Bureau, Bureau of Public Roads and forest highways, Small Business Administration, Special Representative for Trade Negotiations, and Tariff Commission. The Committee report states that the item for the Area Redevelopment Administration was decreased \$148,735,000 below the budget estimate due to the fact that legislation authorizing additional appropriations has not as yet been enacted by the Congress.

2. AGRICULTURAL AND DEFICIENCY APPROPRIATIONS. At the request of Rep. Cannon, the Appropriations Committee was granted permission until midnight Fri. to file reports on the agricultural and deficiency appropriation bills. p. 9893

3. POVERTY. Several Representatives debated the merits of the proposed poverty bill and the efforts being made to amend the proposal. pp. 9916-7, 9939-48, 9950-2

4. FORESTRY; CONSERVATION FUND. Rep. Cooley inserted his statement before the House Rules Committee on an amendment he will propose to H. R. 3846, to provide for the establishment of a land and water conservation fund, which he stated "will (1) permit the Forest Service to use part of the funds available to it under the bill for the development of either existing or newly acquired areas and (2) require new legislative authorization for the purchase of any land under the national forest part of this program," and he expressed his hope and belief that the amendment "will give the private forest industry the assurance it seeks in connection with land acquisition under the bill and will permit that industry to lend its support to the enactment" of the bill. pp. 9926-7

The Agriculture Committee reported without amendment H. R. 7588, to provide for enforcement of rules and regulations for the protection, development, and administration of the national forests and national grasslands (H. Rept. 1378). p. 9954

5. FOOD STAMPS. Rep. Alger criticized H. R. 10222, the food stamp bill, as granting too much discretionary power to the Secretary of Agriculture. p. 9923

6. APPALACHIA; LIVESTOCK. Rep. Langer criticized the pasture improvement provisions of the proposed Appalachia program, particularly in view of current livestock prices, and contended such a program will "set up competition with our established livestock producers in Minnesota and elsewhere across the Nation." p. 9931

7. MINERALS. The Armed Services Committee reported without amendment H. R. 10774, to authorize the disposal, without regard to the prescribed 6-month waiting period, of cadmium from the national stockpile and the supplemental stockpile (H. Rep. 1382). p. 9954

8. WILDERNESS. Rep. Aspinall paid tribute to the late Howard Zahniser, executive director and editor of the Wilderness Society. p. 9892

9. SOIL CONSERVATION. Rep. Michel announced that this week is being observed as Soil Stewardship Week and commended its sponsors. pp. 9923-4

10. WATER RESOURCES. Received a report from the Army Department on the Chartiers

INCREASED FEDERAL CONTROL SEEN IN FOOD STAMP PLAN

(Mr. ALGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALGER. Mr. Speaker, although the House, earlier this month approved the food stamp plan, I believe it is imperative to do whatever is possible to keep the American people aware of some of the hidden dangers to our freedoms contained in the bill. Final action on the bill is still pending in the other body so that it is not yet too late for those interested in the preservation of constitutional, limited government to express their views.

I am not sure that the transfer of power to the Secretary of Agriculture was made sufficiently clear when the food stamp bill, H.R. 10222, was before the House. In rereading the measure, I find that in no less than 11 instances there is reference to power granted to the Secretary. We begin giving him authority in section 3 where it is stated:

The term "food" means any food or food product for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary.

Further on in the bill it is stated:

The Secretary is authorized to formulate and administer a food stamp program.

Still further:

In areas where a food stamp program is in effect, there shall be no distribution of foods to households under the authority of any other law except during emergency situations caused by a natural disaster as determined by the Secretary.

In the same section it is stated:

The Secretary shall issue such regulations, not inconsistent with this act, as he deems necessary or appropriate.

So it goes in section after section: "The Secretary is authorized, as the Secretary determines, in the opinion of the Secretary."

Thus, we rely upon the judgment of a single individual, policy is determined by a man, not by law. I hold this is wrong and inconsistent with our form of government, a Republic within a democracy. In too many instances we are substituting government by men for government by law.

True, it may not seem too great a danger to our freedoms when we give the Secretary of Agriculture such discretionary powers in this one bill, but I would like to remind my colleagues of the tremendous transfer of power we have given to the executive branch in measure after measure since 1960. I would like to remind you, too, how powerful an individual may become when he has within his hands the authority to control the food supply for individuals.

Many of you remember the days of the old machine politics and the ward-heeling politicians who delivered huge blocks of votes in every election by the simple device of the careful distribution of baskets of food and buckets of coal. Now we are making it possible to engage in that kind of politics on a national

scale. In my opinion that is a serious threat to the freedoms of our people.

While we were assured in debate that there would be no curtailment of local and State control in the enactment of the food stamp plan, the very nature of the legislation gives the Federal Administrator of the program, the Secretary of Agriculture, unusual control and direction of State and local action. In the minority views, the Republican members of the Agricultural Committee were deeply concerned with the usurpation of local and State authority. In the report of the minority it was stated:

The establishment of a nationwide food stamp plan is not needed; it would be extremely expensive and inefficient; it would destroy the rights and usurp the responsibilities of local and State governments; it would aggravate the problems of commodities now held in surplus stocks by the Government; it would add hundreds of new employees in the Department of Agriculture; it would give the Secretary of Agriculture new broad and sweeping powers; it would be adverse to the needy people it is designed to help; and it would be of little benefit to U.S. farmers.

Lest you think that States rights and local responsibilities are adequately protected, allow me to point to the language in section 6 of the bill:

Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program.

Nowhere in the bill does it make clear that the retail stores participating in the plan shall be approved by a State or local agency. There is every reason to believe that the Federal Government, through the Secretary of Agriculture, will determine which stores are to participate and will be able to veto the inclusion of any retail or wholesale distributors out of favor with the administration. Think what an opening this gives for political bribery. Think of the avenues of corruption such power vested in the hands of one man opens.

Again, in section 10 of the bill, we find a definite threat to State and local authority. Here it is stated:

If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this act, or with the regulations issued pursuant to this act, or with the State plan of operation, he shall inform such State agency of such failure and shall allow the State agency a reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary shall direct that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as satisfactory action has been taken.

Mr. Speaker, we just cannot go on delegating such dictatorial powers to individuals without putting into jeopardy representative government. Whenever Congress gives up any of its legislative power, its control of programs for which it alone is responsible, we weaken the whole theory of the separation of powers and put into motion the machinery for dictatorship.

As usual, when these demands for broad delegation of power are sent to

Congress, those of us who dare criticize are charged with being "against people," or "not caring for the poor," or "advocates of hunger." The social planners are adept at slogans and tags and they are never in better form than when attacking any who raise questions concerning their theories or welfare state programs. Such attacks will not deter many of us from pointing out the threat to the freedom of the people in programs such as the food stamp plan.

I would like to repeat what I have said many times on this floor, that under our Constitution, in a government of freemen, in a system of private enterprise, it is not the function of the Federal Government to feed, clothe, house, provide jobs, medical care, or other necessities for the people. Cradle-to-the-grave security, which is the ultimate aim of the social planners, may be purchased only at the price of liberty. It is my firm conviction that the overwhelming majority of the American people still adhere to the basic principles upon which this Nation was founded, that liberty is our most cherished possession. We can best help the poor, the unfortunate, and those who because of illness or infirmity cannot provide for themselves by strengthening and expanding our economy, unleashing the full potential of the capitalist system so there will be more jobs at better wages for all those who are willing and able to work.

SOIL STEWARDSHIP WEEK

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, I should like to draw the attention of the House of Representatives to the fact that this week is being observed throughout the United States as Soil Stewardship Week. This soil stewardship observance is sponsored by the 3,000 local soil and water conservation districts, their national association, and cooperating church groups.

The theme of this year's observance is centered on the responsibility of the individual—"To Each Among Us a Share." This message is being preached this week from the church pulpits across the land. I should like to quote from material assembled for this observance about the brotherhood of stewards.

The challenge of this land soars to magnificent proportions. Its dimensions begin with the vastness of a nation, looking outward to a hemisphere, and ultimately encompass the globe. At stake is the well-being of mankind, for all men depend on the productivity and uses of the land, not only for the food of existence but for nourishment of the spirit. Here is more than the place where we live. Here also is the space and setting for our future growth, which may be limitless or limited, in proportion to the quality of each one's concern for the land.

By any standard of measurement, the land is big; but it is not endless. So it is with the companion resources—the water, grass, and forests; the game, fish, and wildlife—which are influenced and supported by the land. Together they constitute a treasury of indispensable value, entrusted to us by

God for our use and for which we must accept responsibility.

It is a responsibility which steadily grows larger and more exacting. Pressing against the limited resources on all sides are the mounting demands of an increasing population and the spreading requirements of our more complex society. More people want more uses more often from the resources at hand. And every indication is that the trend will continue.

Mr. Speaker, this is the kind of message being preached this week by ministers of all faiths across our Nation. I think it appropriate that the House of Representatives commend the sponsors of Soil Stewardship Week—the local soil and water conservation districts of America. The men and women who serve without pay on the governing bodies of these local units of State government merit our praise for the leadership they are giving in our home communities.

They are performing a meritorious, patriotic service. On this occasion I congratulate them for focusing attention of each man's responsibility for looking to the future in protecting and developing our soil and water resources.

ARMY MOVES TO PROTECT INDIVIDUAL RIGHTS OF MILITARY PERSONNEL

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, on August 28, 1963, I spoke out on the floor of the House with respect to one of my constituents who had been acquitted in an Army court-martial after which an administrative board, on the exact same evidence, doled out an undesirable discharge and broke the man from sergeant to private. I told my colleagues of my shock at this action. I also spoke at some length about the work which Senator SAM J. ERVIN's Subcommittee on Constitutional Rights was doing to correct the injustices in this area.

Mr. Speaker, I recall stating that, if possible, the reforms to reduce the spheres of injustice should proceed from the military. I am happy to say that the Army has already taken corrective action and deserves commendation.

The board decision on the case involving my constituent also was pleasing to review. Ray C. Jackson is now back on active duty and his rank of sergeant has been restored. I again extend my appreciation to Mr. Lawrence Speiser, director, Washington office of the Civil Liberties Union, for obtaining counsel for Sergeant Jackson, and to Robert J. Muth, of the law firm of Covington & Burling, for the hard work and the outstanding manner in which he presented Sergeant Jackson's case to the review board.

Mr. Speaker, under unanimous consent, I include at this point a letter from the Headquarters, Department of the Army, indicating that a directive has gone to all commanders down to and including battalion level to prevent a recurrence of the Jackson case. The letter follows:

Hon. ROBERT H. MICHEL,
House of Representatives,
Washington, D.C.

DEAR MR. MICHEL: Your letter of April 16, 1964, to the Judge Advocate General expressing interest in the undesirable discharge by board action of Sgt. Ray C. Jackson has been forwarded to this office for reply.

You are correct that the Army has taken action to see to it that personnel are not discharged with less than honorable discharge based on facts which have been the basis for a court-martial in which the individual concerned was acquitted. On February 11, 1964, as a result of the Sergeant Jackson case, the Chief of Staff of the Army forwarded the following directive to all commanders down to and including the battalion level.

"Department of Army records indicate some instances where officers and enlisted men have been separated from the service administratively as a result of board action based on evidence which was the same as that used previously when the individual concerned had been acquitted by court-martial or had been recommended for retention by an earlier board under the same general allegations. Although administrative board action is not legally objectionable following acquittal by court-martial and does not—with in the meaning of article 44, Uniform Code of Military Justice—place the individual twice in jeopardy, the entire administrative discharge system has been endangered as a result of these few cases.

"In view of the aforementioned situation, commanders who are convening authorities for board hearings for the administrative discharge of enlisted men or for the elimination of officers should consider carefully the history of a case prior to convening the appropriate board. When an individual has been acquitted by a court-martial or recommended for retention by a board, another board should not be convened unless new evidence or subsequent conduct by the individual concerned indicates that this action is appropriate. To initiate new proceedings with the same evidence as used in a previous court-martial or board hearing may in some instances result in a reversal of the discharge and possible restoration of full rights to the individual by the Army Board for Correction of Military Records."

It is expected that the foregoing should assist in preventing a recurrence of the Jackson case.

I trust this information will be of assistance to you.

Sincerely,

JOHN R. McLEAN,
Colonel, G.S., Acting Director of Military Personnel.

EXTENDING TERRITORIAL WATERS AND FISHERY JURISDICTION BEYOND THE TRADITIONAL 3-MILE LIMIT

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, in recent years we have seen several nations take unilateral action to extend territorial waters and fishery jurisdiction beyond the traditional 3-mile limit recognized by the United States. Last year the Canadian Prime Minister, Mr. Pearson, announced the intention of his government of asserting Canadian jurisdiction over fisheries in a 12-mile zone along the Canadian coast. He indicated that this zone would be measured from straight baselines and that certain bodies of water

APRIL 28, 1964.

such as the Bay of Fundy and the Gulf of St. Lawrence on the east coast, and Hecate Strait, Queen Charlotte Sound, and Dixon Entrance on the west coast, would be declared internal waters.

The Prime Minister stated that Canada would respect existing treaty rights of foreign nationals in the waters which would come under Canadian jurisdiction. This statement is of particular importance to the fishermen of the State of Massachusetts and the other States in New England. Our fishermen have been guaranteed certain fishing rights along the east coast of Canada by the 1818 "Convention Respecting Fisheries, Boundary, and the Restoration of Slaves." In addition, Mr. Pearson stated that historic fisheries by foreign nationals would be taken into account. Certainly our New England fishermen have established historic fisheries along the east coast of Canada as well as in the Bay of Fundy and the Gulf of St. Lawrence.

In May of last year the late President John F. Kennedy and Prime Minister Pearson agreed that fishing jurisdiction was a proper subject for negotiation. It is my understanding that several meetings have been held with the Canadians but, as yet, no agreement has been reached and the problem of Canada's extension of fishery jurisdiction has not been solved. When opening the current session of the Canadian Parliament the Prime Minister stated that he would submit a measure to establish a 12-mile limit of Canadian fishery jurisdiction. The Canadian Minister of Fisheries, Mr. Robichaud, has stated that the fishery jurisdiction would be extended in May of 1964. I know of no changes of the schedule for Canada's unilateral extension of fishery jurisdiction.

Recent statements emanating from Canada have contained vague references to respecting historic fishing rights, but these rights have not been clearly defined. If it is the intention of the Government of Canada to permit unrestricted fishing by U.S. vessels in all areas outside of a 3-mile zone along the entire coast, the Prime Minister should make a clear statement to this effect and there would be no further need for negotiations. If the Government of Canada intends to restrict fishing by our vessels, I am gravely concerned over the economic problems which will develop in many New England fishing ports.

I am certain that my colleagues in this House are aware of the importance of the fishing industry to the economy of the State of Massachusetts. Many cities, such as Boston, Gloucester, and New Bedford, depend to a high degree upon the fishing industry to maintain the employment of local residents and the economic well being of the community. The fishing fleets of these cities, along with Canadian fishermen, have harvested the rich fishery resources off Canada since colonial times. Any restrictions by Canada that would limit the availability of these resources to U.S. fishermen must be considered as unacceptable by this Government.

Other nations have unilaterally extended territorial waters and areas of

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		Timber.....14
		Travel.....19
		Water research.....8,17
		Watersheds.....18
		Wilderness.....29

HIGHLIGHTS: Senate committee reported food stamp bill. Both Houses agreed to conference report on Interior appropriation bill. Senate debated Alaska relief bill. Sen. Pearson urged increased domestic sugar quotas. Reps. Widnall and Cramer criticized accelerated public works program under ARA. Rep. Derwinski called International Coffee Agreement a "new form of foreign aid." House committee reported Alaska relief bill. House Rules Committee cleared foreign aid appropriation bill. Conferencees agreed to file report on water resources research program.

SENATE

1. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1965. Both Houses agreed to the conference report on this bill, H. R. 10433, and acted on amendments in disagreement (pp. 14754-6, 14827-33). This bill will now be sent to the President. As agreed to the bill appropriates \$2,700,000 for the Bureau of Outdoor Recreation as proposed by the House instead of \$2,322,000 as proposed by the Senate. See Digest 129 for a summary of Forest Service items.
2. FOOD STAMPS. The Agriculture and Forestry Committee reported with amendments H. R. 10222, the food stamp bill (S. Rept. 1124). p. 14790
3. ALASKA RELIEF. Began consideration of S. 2881, to provide authorization for Federal agencies to aid Alaska in recovering from the effects of the recent earthquake and seismic waves (pp. 14833-4, 14849-54). Sen. Gruening submitted an amendment intended to be proposed to this bill (pp. 14849-64).

Sen. Bartlett commended the Office of Emergency Planning for its disaster relief work in Alaska. p. 14797

4. CIVIL DEFENSE. By a vote of 74 to 4, passed without amendment H. R. 10314, to amend the Federal Civil Defense Act so as to extend until June 30, 1968, the authority to provide financial assistance to States for necessary and essential State and local civil defense personnel and administrative expenses. This bill will now be sent to the President. pp. 14812, 14815-25
5. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 1123, to provide for construction of the Lower Teton division of the Teton Basin reclamation project, Idaho (S. Rept. 1127). p. 14790
Passed as reported S. 1186, to expand existing facilities of the Cooked River reclamation project, Oregon. pp. 14798-9
Passed as reported S. 388, to authorize construction of the midstate reclamation project, Nebr. pp. 14800-4
6. LANDS. The Government Operations Committee reported with amendments S. 1509, to authorize reimbursement to owners and tenants of certain lands or interest therein acquired by the U. S. for certain moving expenses, losses, and damage (S. Rept. 1126). pp. 14790-1
7. SUGAR. Sen. Pearson contended that we place too much reliance on foreign suppliers for our sugar needs and urged an increase in quotas for domestic sugar beet producers. pp. 14795-7
8. WATER RESEARCH. Sen. Jordan, Ida., replaced Sen. Allott as a conferee on S. 2 the water resources research bill. p. 14815
9. PERSONNEL; PAY. Sen. Williams, Del., submitted an amendment intended to be proposed to H. R. 11049, the Federal pay bill. p. 14791
10. FOREIGN AID. Sen. Morse stated that he was opposed to the foreign aid authorization bill in its present form and would seek to reduce the authorization for the program. pp. 14797-8
11. ELECTRIFICATION. Sens. Mansfield, Morse, and Kuchel discussed the merits of the proposed Calif. interstate for the distribution of electric power in the West. pp. 14791-2
Sen. Church criticized the refusal of a House committee to appropriate funds for a transmission line to carry surplus public power to and from southern Idaho. pp. 14862-3
12. FOREIGN TRADE. Both Houses received from Commerce the annual report of the Foreign-Trade Zones Board. pp. 14787, 14790
13. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the food stamp and Alaska relief bills will be considered Tues., the pay bill on Wed., and the road authorization bill on Thurs. if the latter is reported. pp. 14793-4

HOUSE

14. TAXATION. Received the conference report on H. R. 11376, to provide a one-year extension of certain excise-tax rates (H. Rept. 1523). pp. 14787, 14752-3
Passed as reported H. R. 4649, to authorize the use of certain volatile fruit-flavor concentrates in the cellar treatment of wine (p. 14760); H. R. 7267, as reported, to authorize partial refunds of gasoline taxes directly to

FOOD STAMP ACT OF 1964

JUNE 29, 1964.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany H.R. 10222]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes, having considered the same, report thereon with a recommendation that it do pass with amendments.

MAJOR PROVISIONS

This bill authorizes the Secretary of Agriculture to formulate and administer a food stamp program in areas of the various States when such a program is requested by an appropriate agency of the State.

Under the program authorized by the bill—

(1) The State agency responsible for the administration of federally aided public assistance programs would submit to the Secretary for approval a plan of operation for the program in its State, specifying the various political subdivisions in which the program would be effective, the standards to be used in determining the eligibility of applicant households, and other details to insure compliance with the provisions of the act.

(2) Each State agency would develop eligibility standards which would limit participation to those households whose income is a substantial limiting factor in the attainment of a nutritionally adequate diet. Eligible households would receive coupons having a face value sufficient to provide an opportunity more nearly to obtain a low-cost nutritionally adequate diet. For its coupons, each household would pay an amount equivalent to its normal expenditure for food. Coupons would be redeemable at retail stores for any food or

food product for human consumption, except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store. The State agency shall insure that there is no discrimination in the certification of applicant households because of race, religious creed, national origin, or political beliefs.

(3) Retail food stores could redeem coupons through wholesale food concerns or banks. Retailers and wholesalers wishing to accept or redeem food coupons would be approved by the Department of Agriculture and would have administrative and judicial appeals from denial or withdrawal of approval.

(4) The State welfare agency would be responsible for the certification of applicant households, including those households which were not receiving any form of welfare assistance. That agency would also be responsible for the sale and issuance of the food coupons but it could, under its plan of operation, delegate overall operating issuance responsibility to another agency of the State government, if permitted by State law.

(5) Appropriations are authorized as follows: Not to exceed \$75 million for the fiscal year ending June 30, 1965; not to exceed \$100 million for the fiscal year ending June 30, 1966; and not to exceed \$200 million for the fiscal year ending June 30, 1967. Appropriations for fiscal years after June 30, 1967, would be limited to amounts hereafter authorized by Congress. So much of each such appropriation as is required to make up the difference between the face value of coupons issued and the amounts paid by the recipients is to be put into an account maintained in the Treasury where, with the amounts paid by recipients, it will be available without fiscal year limitation for the redemption of coupons.

GENERAL BACKGROUND STATEMENT

The pilot program

The Department of Agriculture was requested, in the President's economic message to the Congress of February 2, 1961, to establish a pilot food stamp program. The purpose was to test out the effectiveness of such an approach in providing additional nutrition to those now in need and in making more effective use of our abundance of food.

A similar program—called the food stamp plan—was operated by the Department of Agriculture between 1939 and 1943. That plan was highly popular and it proved to be an effective method for increasing food consumption among participating households. It was discontinued in 1943 when wartime conditions had greatly reduced unemployment and substantially increased demands upon U.S. food supplies.

Legislation providing for the operation of a food stamp program had been introduced in every session of the Congress following the discontinuance of the 1939-43 plan. In September 1959, permissive authority was provided to the Secretary of Agriculture to place a food stamp program into operation in Public Law 86-341, an act to extend the Agricultural Trade Development and Assistance Act of 1954. This authorization expired on January 31, 1962.

To insure that the pilot program could be operated for at least a year, it was placed into operation under the authority of clause (2) of section 32 of the act of August 24, 1935, as amended. Clause 2 authorizes expenditures to encourage the domestic consumption of agricultural commodities through "benefits, indemnities, donations, or by other means, among persons in low-income groups as determined by the Secretary of Agriculture." These same authorities and funds were previously used by the Department to operate a similar food stamp plan between 1939 and 1943.

On March 7, 1961, the Department of Agriculture announced the eight areas that had been tentatively selected for pilot programs. These eight areas were: Franklin County, Ill.; Floyd County, Ky.; Virginia-Hibbing-Nashwauk complex in northern Minnesota; city of Detroit, Mich.; Silver Bow County, Mont.; San Miguel County, N. Mex.; Fayette County, Pa.; and McDowell County, W. Va.

Appropriate State and local officials in the designated pilot areas agreed to cooperate and the terms of these agreements were incorporated into a Federal-State plan of operation.

On April 14, 1961, the Department announced the detailed provisions of the pilot food stamp program. The first pilot project was opened in McDowell County, W. Va., on May 29, 1961, and the remaining seven areas were in operation by mid-July of that year.

Following the initial year of operation, a further limited expansion of the pilot program was undertaken. The new localities were designated to evaluate the program under a wider range of operating conditions than was possible during the first year. Also, both States and the Department of Agriculture wanted experience in carrying out their respective responsibilities when more than one county or other political subdivision of a State was involved.

Special studies by the research agencies of the Department were undertaken to evaluate the effectiveness of the pilot food stamp program in expanding farm markets and in improving the nutrition of low-income households. The results of these studies are summarized in the following sections of this report.

Pilot programs are now operating in 40 counties and 3 large cities in 22 States. Experience under the program shows that program participation follows a seasonal pattern—increasing in the winter months when unemployment increases seasonally and then declining in the late spring and summer months. Also, the level of participation has been very responsive to other changes which have affected employment opportunities in the 43 pilot areas.

During this fiscal year, participation reached its seasonal peak in March when 392,000 persons were participating. May participation in each of the 43 areas is shown in the following table:

Food stamp program—Summary of participation—Comparison of participation and percent change, May 1964

State and county	Total participation			Current participation	
	May	April	Percent increase	Public assistance	Nonpublic assistance
Alabama:					
Jefferson.....	15,881	16,921	-6	5,075	10,806
Walker.....	6,155	6,425	-4	3,504	2,651
Arkansas: Independence.....	1,188	1,184	-----	557	631
California: Humboldt.....	796	862	-8	670	126
Illinois: Franklin.....	2,421	2,477	-2	1,846	575
Indiana: Vanderburgh.....	4,730	4,673	1	2,288	2,442
Kansas: Rice.....	57	57	-----	51	6
Kentucky:					
Floyd.....	6,260	6,614	-5	2,706	3,554
Knott.....	5,096	5,505	-7	2,620	2,476
Perry.....	6,826	6,593	4	2,811	4,015
Louisiana:					
Avoyelles (parish).....	7,105	7,138	-----	492	6,613
Evangeline (parish).....	10,397	10,597	-2	1,550	8,847
Michigan: Detroit.....	58,452	59,001	-1	46,467	11,985
Minnesota:					
Carlton.....	913	933	-2	443	470
Itasca.....	1,811	2,063	-12	614	1,197
St. Louis.....	9,291	10,032	-7	5,486	3,805
Missouri: St. Louis (city).....	12,681	12,800	-1	5,667	7,014
Montana: Silver Bow.....	1,217	1,220	-----	649	568
New Mexico:					
Mora.....	842	885	-5	406	436
San Miguel.....	3,254	3,522	-8	1,681	1,573
Santa Fe.....	2,057	2,060	-----	996	1,061
North Carolina: Nash.....	2,165	4,920	-56	1,705	460
Ohio:					
Cuyahoga.....	53,924	53,030	2	48,102	5,822
Lucas.....	14,605	14,246	3	12,699	1,906
Oregon: Multnomah.....	9,903	10,938	-9	8,130	1,773
Pennsylvania:					
Cambria.....	9,985	10,298	-3	7,160	2,825
Fayette.....	19,562	20,287	-4	16,386	3,176
Luzerne.....	10,819	11,556	-6	7,277	3,542
Pittsburgh.....	38,927	39,528	-2	33,078	5,849
Tennessee:					
Grundy.....	1,601	1,603	-----	378	1,223
Hamilton.....	6,079	5,957	2	3,338	2,741
Marion.....	2,797	2,906	-4	643	2,154
Sequatchie.....	477	406	17	180	297
Virginia:					
Dickenson.....	2,759	2,881	-4	337	2,422
Lee.....	3,056	3,016	1	430	2,626
Wise.....	3,421	3,936	-13	449	2,972
Washington: Gray's Harbor.....	1,252	1,237	1	916	336
West Virginia:					
Logan.....	8,297	8,455	-2	7,362	935
McDowell.....	9,419	9,609	-2	8,271	1,148
Mingo.....	8,042	7,966	1	7,072	970
Wayne.....	5,444	5,516	-1	4,932	512
Wisconsin:					
Douglas.....	1,584	1,732	-9	774	810
Iron.....	326	362	-10	102	224
Total.....	371,874	381,947	-3	256,300	115,574

Provisions of the pilot program

There has been a high degree of Federal, State, and local cooperation in the operation of the pilot food stamp program. Within each State, the State agency responsible for administering the federally aided public assistance program has assumed responsibility for the certification of applicant families and for the sale and issuance of the food coupons. At the election of these State agencies, however, responsibility for the issuance of coupons could be delegated to another agency of the State government or to the local governmental unit in the designated area.

Individual families are certified to participate in the program by local offices of the State welfare agency on the basis of their financial need. Households receiving public assistance, as well as other low-income households not receiving any form of public assistance, are eligible under standards developed cooperatively with the States.

Participating households buy the food coupons at issuance offices established by the State agency or the local governmental unit. The price for such coupons approximates the amount they would spend for food out of whatever income is available to the household. When the households have little or no income, they make only "token" payments or they may receive some coupons free of charge. In return, they receive an allotment of food coupons of higher monetary value. In January 1964, for example, the average participant was paying \$6 for every \$10 worth of coupons received.

Participating households may then use the coupons to purchase food in any retail store approved to accept and redeem food stamps. Generally, except for those store owners who may not wish to participate, all retail stores in the designated areas are approved to accept food coupons. Under the pilot program, participants have been able to use their coupons to purchase any food for human consumption except alcoholic beverages, tobacco, and certain designated imported foods.

The retail store, in turn, redeems the food coupons through the commercial banking system—depositing coupons in the bank just as other case receipts and commercial paper. The banks then redeem the coupons through the Federal Reserve System. The Federal Reserve banks are reimbursed out of a special account maintained in the U.S. Treasury. The moneys collected from participants for the coupons they purchase are deposited into this account through the commercial banking system and the Department of Agriculture transfers sufficient section 32 funds to this account to cover the cost of the free coupons.

Program results

The pilot food stamp program has proved to be an effective means of expanding farm markets and of improving the food consumption and nutrition of low-income households.

Highlights of the results of the special evaluation studies undertaken by the research agencies of the Department are:

1. Participating households made significant increases in their food consumption under the stamp program even though they had formerly been receiving federally donated commodities.
2. Over 80 percent of this increase was accounted for by livestock products and fruits and vegetables alone.
3. The nutritional value of the diets of participating households was substantially improved. Almost twice as many households were able to achieve nutritionally adequate diets after the program was inaugurated.
4. Retail food store sales increased an average of 8 percent in the pilot areas after the pilot food stamp program was inaugurated. All sizes of stores—from the very small to the largest—shared in this increase.
5. A special analysis of household food consumption among participating households in Detroit showed that grain utilization

increased by 24 percent under the program. While the coupons were not earmarked specifically for surplus foods, a larger indirect use of grains through higher consumption of livestock products, together with a slight increase in use of cereal and bakery products, accounted for this increase.

6. Favorable reactions to the program were reported in a study of attitudes toward the program. These favorable reactions were obtained from moderate- and high-income families as well as from those that were eligible for the program. Welfare workers indicated that they felt the program was an effective way to increase the food purchases of low-income households.

The impact of the food stamp program on food purchases and consumption

The following table shows that the food stamp program has brought about an overall increase of 24 percent in the use of grains directly and indirectly among participating families above their preprogram level of consumption when the direct distribution program was in operation. This conclusion is based on a special analysis of changes in household food consumption made in Detroit, Mich., as part of the initial evaluation of the pilot food stamp program. Participation in the Detroit pilot program represented over half of the total participation in the original eight pilot areas.

On a per capita basis, participating families increased their direct consumption of grains or grain products from 4.8 to 5.2 pounds per week. In addition, the indirect use of grains through the consumption of animal products increased from 39.1 to 48.4 pounds per person per week. This substantial increase in consumption of animal products resulted when families used their additional purchasing power to purchase more of these products.

Grain consumption under the commodity donation and food stamp programs, Detroit, Mich.

[In pounds]

Food categories	Pounds of grain consumed per person in 1 week	
	Under commodity donations (April-May)	Under food stamp program (September-October)
Foods consumed as grains or grain products:		
Wheat:		
Flour and cereal products.....	2.1	2.2
Commercial bakery products.....	1.4	1.8
Total.....	3.5	4.0
Corn and products (total).....	1.0	1.0
Rice (total).....	.3	.2
Total grains and products.....	4.8	5.2
Grain feeds required for animal products consumed:		
Meats and products.....	24.0	32.2
Poultry and eggs.....	7.9	9.0
Dairy products.....	7.2	7.2
Total grain feeds.....	39.1	48.4
Total food and feed grains.....	43.9	53.6

Approximately 80 percent of the increased food purchasing power provided under the stamp program was directed toward increased consumption of animal products and fruits and vegetables. Other foods, as indicated in the following table, such as fats and oils and sugar experienced smaller increases:

Quantities of specified foods consumed in a week per member of participating families, before and after initiation of federal food stamp program, Detroit, Mich., 1961¹

	Under commodity program, April-May	Under food stamp program, September- October	Difference
	Pounds	Pounds	Percent
Meat.....	2,753	3,782	37.4
Poultry.....	1,014	1,348	32.9
Fish.....	.364	.471	29.4
Milk, cream, ice cream, and cheese ²	7,372	7,438	.9
Shell eggs.....	.470	.550	17.0
Fats and oils.....	.863	1.027	19.0
Flour and other cereal products including bakery items.....	4,083	5,336	30.7
Sugars, sweets.....	1,143	1,230	7.6
Fresh vegetables.....	1,806	4,062	124.9
Potatoes, sweetpotatoes.....	1,875	1,973	5.2
Fresh fruits.....	1,564	2,618	67.4
Commercially frozen fruits and vegetables.....	.049	.096	95.9
Commercially canned fruits and vegetables.....	.824	1,085	31.7
Fruit and vegetable juices, fresh, frozen, canned, powdered.....	.307	.539	75.6
Dried fruits and vegetables.....	.354	.337	-4.8

¹ Before adjustment for seasonal changes in price and foods consumed. Includes home produced, gift and federally donated as well as purchased foods.

² Fluid milk equivalent.

The impact of the food stamp program on farm income

A special analysis being made of the impact upon farm income of the direct donation and food stamp programs in Detroit, Mich., one of the original eight pilot food stamp areas, has shown the following preliminary results:

During April and May 1961, the Department of Agriculture's research people undertook a detailed study of household food consumption among a representative sample of Detroit households which were participating in the direct donation program. This same sample of households was resurveyed in September and October 1961 to determine what changes had taken place in their food consumption as a result of the inauguration of the pilot food stamp program. Not all of the households which formerly received donated foods had elected to participate in the stamp program. However, such households were included in the second survey, so that the data are representative of the total changes in food consumption which took place when the stamp program replaced the direct donation program in Detroit.

During April and May 1961, the Federal cost of the foods donated to Detroit households averaged \$692,000 a month. During September and October 1961, the Federal cost of the free additional coupons issued to Detroit households under the stamp program averaged \$616,500 a month. Therefore, although Federal costs under the stamp program are somewhat less than under direct donation, differences in the impact of the two programs is an indicator of their relative effectiveness in increasing retail food expenditures and farm income.

The preliminary results of this analysis indicates that the stamp program is more effective. The retail and farm value of foods con-

sumed by the Detroit households included in the survey was higher under the stamp program, even though some of the households which received donated foods did not participate in the stamp program. This, we feel, is a reflection of the fact that, under the stamp program, greater assurance can be provided that the Federal assistance is used to supplement, rather than partially replace, the normal food expenditures of the participating households.

Second, there was some net shift to foods which return a higher proportion of the retail food dollar to farmers. With respect to cereal products alone, there was a shift away from flour—which was available under the donation program—to more highly processed commercial bakery products. However, that shift was more than offset by increases in the use of such items as meat, poultry, and fluid milk.

The following table shows that, under the stamp program, the average retail value of food consumed by these Detroit households (including the former recipients of donated foods who did not participate in the stamp program), was 60 cents per person per week higher than when the donation program was in effect. The farm value of such consumption increased by 26 cents per person per week, or approximately 15 percent, after the inauguration of the stamp program. These increases do not appear to be the result of outside factors—such as seasonal changes in food supplies or prices—because similar data obtained from a sample of Detroit households with slightly higher incomes showed that the retail and farm value of the food they were consuming was essentially the same in April and May and September and October.

While the results of this single city survey cannot necessarily be projected on a nationwide basis, this analysis does tend to measure the relative economy of the two programs.

The retail and farm value of foods consumed by a sample of low-income families in Detroit, Mich., when they were participating in the direct donation program in April and May 1961 and in September and October 1961 after the food stamp program replaced direct donations; and the Federal cost of the two programs are:

Program	Federal cost per month	Food consumption per person per week	
		Retail value	Farm value
Direct donations, April and May 1961.....	\$692,000	\$4.91	\$1.75
Food stamp, September and October 1961 ¹	616,500	5.51	2.01
Net change.....	-76,500	+ .60	+ .26

¹ Data for September and October covers the low-income households surveyed in April and May, including those which received donated foods in April and May but did not elect to participate in the food stamp program in September and October.

COMMITTEE DELIBERATIONS

The committee conducted 2 days of hearings on June 18 and 19. All witnesses who wished to be heard or to file statements were given the opportunity to do so. The hearings have been printed and are available. All statements and testimony were fully considered by the committee and a number of amendments designed to improve the bill have been recommended by the committee. The committee

also considered the President's messages on the subject. The President's message on agriculture of January 31, 1964, contained the following:

Under the pilot food stamp program, initiated administratively in 1961, needy people in 43 areas can increase their food purchases through regular commercial channels. *I recommend legislation to place this program on a permanent basis and to make it more widely available.*

The President, in his message on poverty of March 16, 1964, also indicated that the food stamp program was one of several programs needed "to protect those who are especially vulnerable to the ravages of poverty."

COMMITTEE AMENDMENTS

Section 3. Definition of food

The committee amendment to section 3(b) would simplify the definition of food to make it administratively workable.

As the bill passed the House "soft drinks, luxury foods, luxury frozen foods as determined by the Secretary, and those foods which are identified on the package as being imported from foreign sources when they arrive at the retail store" were excluded from the definition of food. This exclusion presented insurmountable administrative problems. According to the dictionary definition soft drinks are those not containing spirituous liquor so that milk, orange juice, coffee, and other beverages would technically be excluded. At the same time cookies, cake, and candy would not be excluded. Luxury foods and luxury frozen foods are rather indefinite terms. Fruits and vegetables might be luxury or nonluxury foods, depending upon whether they were in season, or upon the price at which they might be sold by the particular store on a particular day. The task of making up any reasonable classification of all foods into luxury and nonluxury foods does not appear to be one that could be accomplished with any exactitude. Any such list would also appear to require constant changing from day to day, area to area, and possibly even store to store. The retailer and the consumer, attempting to comply with the program, as well as the Secretary, would be faced with a difficult and confusing situation. The committee therefore recommends deleting the exclusion of soft drinks and luxury foods from the bill.

This, of course, does not mean that the committee has any intention that coupon recipients will use their coupons for high cost foods. The committee has recommended an amendment to section 7(a) restricting the value of the coupons issued to any household to that which will enable it more nearly to obtain a "low cost" nutritionally adequate diet. It is the committee's intention that the coupons will enable recipients to obtain a "low cost" diet, and the recipients will have to restrict themselves to nonluxury foods in order to achieve that diet.

Experience shows that the coupon recipient is in a far better position than the Secretary to determine what would be a luxury food for him at the time and place he makes his purchase. Detailed studies were made by the research agencies of the foods being purchased and used by households participating in the program in two of the original eight pilot areas. These studies showed that food

stamp households concentrated their purchases on good basic foods. For example, fruit and vegetable consumption was largely accounted for by seasonally abundant fresh items—potatoes, greens, tomatoes, cabbage, apples, and assorted citrus fruits. Among the dairy products, fluid milk, evaporated and dry milk, and cottage cheese accounted for 90 percent of the value of their consumption.

With respect to most imported foods, the committee felt that administrative feasibility required that only those so identified on the package purchased by the consumer, should be excluded. These can easily be identified by both the consumer and the checkout clerk as being imported. With respect to meat and meat products, however, the committee felt there was a somewhat different situation. Meat imports have been having a very serious impact upon domestic meat and livestock prices. Meat may be brought into the store or its processing plant in carcasses for cutting, grinding, or other processing for resale. In such processing and rewrapping, it is a simple matter for the retailer to mark it as imported. It differs in this respect from other items which are simply removed from their shipping containers and put on shelves or in bins. In connection with this amendment, the committee points out that "retail food store" is defined as an "establishment" which sells food to households at retail. "Establishment" would include a central warehouse, a distribution center, or a meat fabricating facility operated by a retail store.

Section 4. Direct distribution prohibited in food stamp areas

A new subsection (b) has been added to section 4 of the bill to prohibit the direct distribution of federally owned food to households in areas where the food stamp program is in effect except during an emergency situation caused by a natural or other disaster.

The committee does not intend to authorize the concurrent operation of the food stamp and direct distribution program in a local political subdivision except on a temporary basis to meet a special emergency.

Section 5. Eligible households

During the course of the hearings, the committee expressed concern over the definition of eligible households in section 5 of the bill and asked for the Department's suggestions as to how the program might be restricted more clearly to low-income groups. As a result, the Department submitted the following explanation:

Explanation of the Department—Section 5, H.R. 10222

The language of section 5 of H.R. 10222 which establishes eligibility standards for the program is intended to provide for a continuance of the same eligibility policies and procedures which have been used under the pilot program.

Research results show that household income, together with household size, is the principal limiting factor in the attainment of an adequate diet. Therefore, under section 5, it is the intent that an economic, i.e., an income, criterion is to be used as the basic standard in determining those households to be made eligible for the program.

However, considering the wide differences encountered among the various States, the Department has not deemed it

desirable or practical to establish a single income level for various size households as a measure of an economic need for food assistance. Therefore, under subsection (b) of the bill, each State would establish eligibility standards based upon the standards that the State uses in its own federally aided public assistance program.

Under the pilot program, households on public assistance and similar programs of general assistance are eligible for participation in the stamp program. However, other households may have incomes which are as low, or lower, than the income of welfare households but—for a variety of reasons—they cannot qualify for welfare assistance.

For example, an older couple may be living on a very small pension but they are not eligible for OAA assistance because they are not 65 years of age. Or, if they are 65, the amount of their pension may be as high as the income standard for old-age assistance and, thus, they would not be eligible for such assistance.

For these nonassistance households, maximum income limitations for various size households are used as a measure of eligibility in each State. These maximum income limitations must be consistent with the income standards used in the State's public assistance program.

To be more specific: Assume that under the program of old-age assistance and aid for families with dependent children, a State will assist a household of four—a grandmother and a mother with two children—when the household income is below \$175 a month. This Department would then approve a nonassistance income exclusion point of about \$175 a month for any household of four—perhaps an unemployed man with a wife and two children—or such lesser amount as the State might wish to establish. If the State made special provision for extra payments because unusual situations—such as the need for special medicines—this Department would also take this into account in making the final approval of the State's eligibility standards.

In a limited number of instances, households without income in the current month may not be in need of food assistance because they have substantial resources upon which they are drawing. Therefore, under the pilot program, limitations have been placed upon the amount of resources an eligible household is allowed.

The language of section 5 has been amended by the committee to set forth more definitively the limitations on program eligibility, in accordance with the stated intent of the Department of Agriculture.

Section 7. Value of the coupon allotment

The committee has amended section 7(a) of the bill to provide that the total value of the coupons to be issued to a participating household shall be such as to permit it to more nearly obtain a *low-cost* nutritionally adequate diet.

The purpose of this amendment is to reinforce the committee's belief that it is impractical to attempt to immediately revolutionize well-established food habits and that, further, the value of free coupons

to be provided should not be such as to encourage uneconomical food expenditures.

The term "low cost" nutritionally adequate diet is intended to convey the idea of a food plan which includes a sufficient variety of foods needed to provide families with those items needed to meet recommended dietary allowances of the National Research Council, to satisfy appetites, and to meet energy needs. As compared to more expensive food plans, a low-cost plan would make good use of staple foods, contemplate a minimum of food waste and a considerable amount of home food preparation. Among the various food groups represented in a nutritionally adequate food plan—such as meat, poultry, beans, and other protein items; dairy products; fruits and vegetables, and the cereal group—it contemplates the use of the less expensive foods within these broad food groups.

Section 10. Administration

Additional language has been added of subsection (e) of this section. It is intended as a directive to the Secretary of Agriculture to insure that the progressive expansion of the program over a period of years—as the bill contemplates—shall be accomplished in an orderly manner, with due consideration to the need for equitable treatment among the various States in accordance with their relative need for such a program. Moreover, to insure a continuation of effective program administration, the Secretary shall take into account the demonstrated ability of the several States to assume the considerable operating and supervisory responsibilities which are assigned to them under the provisions of this bill.

A new subsection (g) has been added to this section by the committee. Its intent is to impress upon the States the equal responsibility they share with the Federal Government for limiting the program to those households of low income which cannot afford to purchase a low-cost nutritionally adequate diet. Under the provisions of this new subsection, gross negligence or fraud on the part of the State agency—or its counterpart local offices—in the certification of applicant households will require the State to reimburse the food stamp account established under section 7 of the act, for any federally financed (free) coupons issued as a result of such actions.

In emphasizing the States' responsibilities in this area of program operations, the committee does not intend to relieve States of their responsibility to account to the Department of Agriculture for the value of any food coupons supplied to it for issuance to participating households or for the sums collected from such households under section 7(b) of the bill.

Section 16. Appropriations

The committee has added additional language to subsection 16(b) of the bill. This section directs the Secretary to limit the value of the federally financed (free) coupons to that which can be financed by that portion of each annual appropriation which is in excess of the amount needed to finance other program costs and Federal administrative expenses.

The language added by the committee is intended to prescribe the method by which the Secretary shall comply with the provisions of this section in the event that adjustments are necessary to keep program expenditures within authorized amounts. Such adjustments

would be accomplished by reducing the amount of the free coupons provided to participating households.

INDIANS ON RESERVATIONS

At the request of the committee, the Department of Agriculture consulted with the Department of Health, Education, and Welfare and with the Department of Interior to insure that the provisions of the act concerning certification procedures would present no legal or other barrier to the participation of Indians living on reservations. This assurance has been provided as the following communications indicate:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 24, 1964.

HON. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: Reference is made to H.R. 10222, the food stamp bill, which is currently before the Congress for enactment.

This letter is to confirm our understanding that provisions of this bill with respect to the certification of applicant households are not in conflict with any Federal statutes relating to Indians who reside on reservations under the jurisdiction of your Department.

The procedures to be followed in determining the eligibility of households to participate in the food stamp program would be the same as those currently in use under our program of direct food donations to needy households. Such households include those receiving assistance under the federally aided public assistance programs and similar programs of general assistance and other needy households which are not receiving such assistance.

Under the provisions of H.R. 10222, the State agency administering the federally aided public assistance programs is required to accept responsibility for the certification of all applicant households, including those households not receiving any form of welfare assistance. These provisions contemplate, however, that casework certifications by agencies administering general assistance programs—such as is the case under the general assistance program operated by your Bureau of Indian Affairs—would be used by the State welfare agency ✓ for food stamp purposes.

Any household which is not receiving any type of welfare assistance would apply to the local office of the State welfare agency for participation in the food stamp program in the same manner as they apply for assistance under the federally aided public assistance programs. To assist State welfare agencies in assuming the responsibility for the certification of such nonassistance households, H.R. 10222 does provide Federal funds to help the State agency finance the added cost of such nonassistance certification.

The Senate Committee on Agriculture and Forestry is anxious to report out H.R. 10222. We, therefore, would appreciate receiving your views as soon as possible.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 26, 1964.

HON. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of June 25, 1964, regarding H.R. 10222, the food stamp bill.

We have reviewed this bill, and agree with your understanding that the provisions of the bill with respect to the certification of applicant households are not in conflict with any Federal statutes relating to Indians who reside on reservations under the jurisdiction of this Department.

We assume that the State agency responsible for the food stamp program could accept the certification of applicant households from representatives of the Bureau of Indian Affairs, as is now done in a few States in connection with the current program of direct food donations to needy households. In other States the State agency could continue the current practice of assuming full responsibility for such certification.

We are in accord with the objectives of H.R. 10222 and favor its enactment.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

SECTION-BY-SECTION EXPLANATION OF THE BILL, AS AMENDED BY
THE COMMITTEE AMENDMENTS

Section 1. Short title

Section 1 provides that the act may be cited as "The Food Stamp Act of 1964."

Section 2. Declaration of policy

This section outlines the finding by the Congress that a food stamp program will help to increase the utilization of food, maintain adequate national levels of nutrition, and strengthen our agricultural economy.

Section 3. Definitions

This section contains a definition of various terms used in the act. The significant definitions are:

Subsection (b) defines the term "food"—those commodities for which food coupons may be used. Ineligible foods are alcoholic beverages, tobacco, those foods identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store. Acceptance of food coupons for any excluded food items, as well as for nonfood items, would subject the grocer to sanctions outlined in the act.

Subsection (e) defines "household." Food coupons are available only to households, but this also includes a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

Subsection (f) makes it clear that the term "retail food store" includes not only grocery stores and markets but a food department of a general store or a house-to-house trade route selling food to households for home consumption.

Subsection (h) defines the "State agency" responsible for administering the stamp program as the State agency which has responsibility for the administration of federally aided public assistance programs.

Section 4. Establishment of the food stamp program

This section provides general authority to the Secretary of Agriculture to formulate and administer a food stamp program.

It makes clear that participation is elective on the part of States by indicating that a request for the program must be made by the State agency. It is contemplated that the Governor could request the program, but its inauguration would be based upon submission of a satisfactory State plan of operation by the State welfare agency, as required in section 10.

Except to meet emergency needs, no federally owned foods could be distributed to households in areas where the food stamp program is in operation.

Section 5. Eligible households

Participation in the program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

Each State will establish standards to determine the eligibility of applicant households. These standards shall include maximum income limitations and these limitations shall be consistent with the income limitations used in the State's own public assistance program.

The food stamp program would not be limited to households which are receiving public or general assistance. Other needy households, with incomes about the same as, or lower than, State welfare standards, but which—for a variety of reasons are not eligible for welfare assistance—could participate in the stamp program.

As provided in section 10, the examination and certification of those eligible to participate in the program also is the responsibility of the State agency.

Section 6. Issuance and use of coupons

This section authorizes the printing of coupons, which shall be simple in design.

It also provides that households shall be charged the regular retail price when they purchase food with coupons. However, the language of the section makes clear that the Secretary of Agriculture has no authority under this act to specify or control wholesale or retail food prices.

Section 7. Value of the coupon allotment and charges to be made

This section provides that the face value of the coupons which the State agency would be authorized to issue to eligible households would be such as to provide them with an opportunity to more nearly obtain a low-cost nutritionally adequate diet.

It further provides that participants must pay for the food coupons they receive—in amounts that are determined to approximate their normal expenditures for food. This is one of the basic provisions of

this act, because it insures that the additional federally financed (free) coupons will actually be used by participants to purchase more and better food.

This section also provides that the funds collected from participants must be promptly deposited in the separate account maintained in the U.S. Treasury. The Department of Agriculture will also transfer to this separate account sufficient funds from the annual appropriation for the program to cover the value of the free coupons issued to participants.

Section 8. Approval of retail food stores and wholesale food concerns

This section outlines the procedures under which wholesale and retail food concerns may apply for authorization to accept and redeem food coupons. Subsection (c) provides that any such concern which has been refused authorization to participate in the program may appeal such a decision, first to the Secretary of Agriculture, and then to a State or Federal court.

Wholesale food concerns need apply for participation in the program only if they wish to serve as an intermediate coupon redemption agent for retailers. They need not be authorized in order to sell food to retail stores participating in the program.

Section 9. Redemption of coupons

This section provides for the redemption of food coupons through the commercial banking system.

The retailer will deposit the food coupons in his regular bank, where they will be credited to his account, the same as checks or other commercial paper. The retailer may elect to redeem the coupons through an authorized wholesale food concern, which would then deposit the coupons in a local bank.

Commercial banks will redeem the coupons through the Federal Reserve System. The Federal Reserve System will be reimbursed out of the separate food stamp account maintained in the Treasury.

Section 10. Administration

The State agency responsible for the administration of the federally aided public assistance program shall assume responsibility for the certification of applicant households. The term "State agency" includes the State office and its offices in political subdivisions—and in those States in which the public assistance program is operated on a decentralized basis—the counterpart offices of political subdivisions. That same agency would assume responsibility for the sale and issuance of food coupons, unless it desired to delegate this issuance responsibility to another agency of the State government. In either event, it would be possible for the State agency to make arrangements with local government agencies (or with banks) for the actual sale and issuance of the food coupons.

It is the intent that eligibility for the stamp program be determined with the same care and in the same manner as States determine eligibility for the federally aided public assistance program. Thus, this section requires the State agency to carry out its certification responsibilities under the same general procedures and personnel standards as are required of such agencies by the Department of Health, Education, and Welfare in the administration of the federally aided public assistance program. While this section provides that the State public assistance agency shall assume full responsibility for

the certification of applicant households, it is not the intent to preclude the use of casework information and records on the economic status of households which has been developed by other public agencies that are responsible for the granting of general assistance or relief, including the Bureau of Indian affairs which operates a general assistance program for Indians under their jurisdiction.

This section also requires the Secretary of Agriculture to provide a reasonable time for corrective action if a State agency is not in substantial compliance with the requirements of this act.

This section directs the Secretary to accomplish the expansion of the program in an orderly manner with due consideration to the need for equitable treatment among the States. It further provides that States shall be financially liable for the value of any free coupons, which through gross negligence or fraud, are issued to ineligible households by the State agency or its counterpart local offices.

Section 11. Disqualification of retail food stores and wholesale food concerns

It is intended that the Secretary of Agriculture take all possible steps to obtain the full cooperation of food retailers and wholesalers in obtaining voluntary compliance with the provisions of this act by (1) developing program regulations within the framework of commercial food retailing and wholesaling practices; (2) informing retailers and wholesalers of their responsibilities when the program is inaugurated in a new area; and (3) maintaining a continuing educational program for them after the stamp program has been placed in operation.

This section, however, does provide for the disqualification of any wholesale or retail food concern from participation in the food stamp program when there is evidence that the store or concern is not adhering to the requirements established in this act. Such action may be taken by the Secretary only pursuant to the provisions for administrative action set out in section 13 and there is no authority for the Secretary to suspend or revoke participation in the program without due notice and an opportunity for hearing.

Section 12. Determination and disposition of claims

This section gives the Secretary final authority to determine the amount of and settle or adjust any claim which may be brought under the provisions of this act. The Secretary's determination is, of course, subject to the administrative and judicial appeals provided in section 13.

Section 13. Administrative and judicial review

The rights of retailers and wholesalers are carefully guarded under the provisions of this act.

This section provides for administrative and judicial review of the decision of the Secretary with respect to the denial of any application of a retail or wholesale food concern to participate in the program, the disqualification of such a participating concern, or the denial of all or any part of a claim of such a concern under the provisions of section 12.

The section provides, in brief, that notice of any such proposed action on the part of the Secretary must be delivered to the concern involved by certified mail or personal service; that the concern shall have a period of 10 days in which to submit information in support

of its position; that if the decision following such administrative review is against the food concern it shall have a period of 15 days before any order takes effect, and a total period of 30 days, during which it may file an action in the U.S. district court or any State court of competent jurisdiction seeking to have the determination of the Secretary set aside.

Section 14. Violations and enforcement

This section makes it a violation of Federal law to knowingly use, transfer, acquire, or possess coupons in any manner not authorized by this act or to present, or cause to be presented, such coupons for redemption knowing them to have been received, transferred, or used in any manner in violation of the provisions of the act.

Subsection (d) makes the coupons issued under this act "obligations of the United States" within the meaning of the criminal statutes relating to counterfeiting and forgery.

Section 15. Cooperation with State agencies

This section specifically provides that the program shall be a joint undertaking on the part of the Federal and State and local governmental units. It further provides that sources within the State shall finance all but a small portion of the cost of administering the stamp program within the various States.

Subsection (a) provides that each State shall pay from available State or local funds the costs of carrying out the administrative responsibilities assigned to it under the provisions of this act, including certification of eligible households and the investigation and interviewing incident to such certification; the handling, storage, and protection of coupons after their delivery to receiving points within the States; the issuance of such coupons to eligible households; and the control and accounting for such coupons.

Subsection (b) provides that with respect to the certification of households which are not receiving any type of welfare assistance, part of the cost will be paid by the Federal Government. The basic reason for this provision is to insure that all of the eligibility standards required for participation in the program are carefully observed in the certification of those participants not on public assistance programs. The participation of the Federal Government in these costs will be less than the usual 50-50 sharing of the costs of administering public assistance programs in the States under the Social Security Act.

Section 16. Appropriations

Appropriations for the program are authorized only for the period through June 30, 1967.

The maximum amounts authorized are: \$75 million for 1965; \$100 million for 1966; and \$200 million for 1967. The annual appropriation would be used to cover (1) all program costs, including such costs as the value of coupons issued free of charge to households, related costs in the printing and shipment of coupons, and payments to other co-operating agencies; and (2) Federal administrative expenses.

This section also requires the Secretary to limit the value of free coupons issued in any fiscal year to the value that can be financed by that year's appropriation. If necessary, the Secretary shall direct States to reduce the value of free coupons issued to participating households in order to keep program expenditures within authorized amounts.

88TH CONGRESS
2D SESSION

[Report No. 1124]

APRIL 9 (legislative day, MARCH 30), 1964

JUNE 29, 1964

Reported by Mr. ELLENDER, with amendments

[Omit the part struck through and insert the part printed in *italic*]

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as “The Food Stamp Act of
4 1964”.

6 SEC. 2. It is hereby declared to be the policy of Con-
7 gress, in order to promote the general welfare, that the

1 Nation's abundance of food should be utilized cooperatively
 2 by the States, the Federal Government, and local govern-
 3 mental units to the maximum extent practicable to safeguard
 4 the health and well-being of the Nation's population and
 5 raise levels of nutrition among ~~economically needy~~ *low-income*
 6 households. The Congress hereby finds that increased utili-
 7 zation of foods in establishing and maintaining adequate
 8 national levels of nutrition will tend to cause the distribution
 9 in a beneficial manner of our agricultural abundances and
 10 will strengthen our agricultural economy, as well as result in
 11 more orderly marketing and distribution of food. To effec-
 12 tuate the policy of Congress and the purposes of this Act, a
 13 food stamp program, which will permit those households ~~in~~
 14 ~~economic need~~ *with low incomes* to receive a greater share of
 15 the Nation's food abundance, is hereby authorized.

16 DEFINITIONS

17 SEC. 3. As used in this Act—

18 (a) The term "Secretary" means the Secretary of
 19 Agriculture.

20 (b) The term "food" means any food or food product
 21 for human consumption except alcoholic beverages, tobacco,
 22 soft drinks, luxury foods, and luxury frozen foods as deter-
 23 mined by the Secretary, and those foods which are identified
 24 on the package as being imported from foreign sources when

1 ~~they arrive at the retail store.~~ *The term “food” means any*
2 *food or food product for human consumption except alcoholic*
3 *beverages, tobacco, those foods which are identified on the*
4 *package as being imported, and meat and meat products*
5 *which are identified as being from foreign sources when they*
6 *arrive at the retail food store.*

7 (c) The term “coupon” means any coupon, stamp, or
8 type of certificate issued pursuant to the provisions of this
9 Act.

10 (d) The term “coupon allotment” means the total value
11 of coupons to be issued to a household during each month or
12 other time period.

13 (e) The term “household” shall mean a group of re-
14 lated or nonrelated individuals, who are not residents of an
15 institution or boarding house, but are living as one economic
16 unit sharing common cooking facilities and for whom food
17 is customarily purchased in common. The term “household”
18 shall also mean a single individual living alone who has cook-
19 ing facilities and who purchases and prepares food for home
20 consumption.

21 (f) The term “retail food store” means an establish-
22 ment, including a recognized department thereof, or a house-
23 to-house trade route which sells food to households for home
24 consumption.

1 (g) The term "wholesale food concern" means an
2 establishment which sells food to retail food stores for resale
3 to households.

4 (h) The term "State agency" means the agency of the
5 State government which has responsibility for the admin-
6 istration of the federally aided public assistance programs.

7 (i) The term "bank" means member or nonmember
8 banks of the Federal Reserve System.

9 (j) The term "State" means the fifty States and the
10 District of Columbia.

11 (k) The term "food stamp program" means any pro-
12 gram promulgated pursuant to the provisions of this Act.

13 ESTABLISHMENT OF THE FOOD STAMP PROGRAM

14 SEC. 4. (a) The Secretary is authorized to formulate
15 and administer a food stamp program under which, at the
16 request of an appropriate State agency, eligible households
17 within the State shall be provided with an opportunity more
18 nearly to obtain a nutritionally adequate diet through the
19 issuance to them of a coupon allotment which shall have a
20 greater monetary value than their normal expenditures for
21 food. The coupons so received by such households shall be
22 used only to purchase food from retail food stores which have
23 been approved for participation in the food stamp program.
24 Coupons issued and used as provided in this Act shall be re-

1 deemable at face value by the Secretary through the facilities
2 of the Treasury of the United States.

3 *(b) In areas where a food stamp program is in effect,*
4 *there shall be no distribution of Federally owned foods to*
5 *households under the authority of any other law except during*
6 *emergency situations caused by a national or other disaster*
7 *as determined by the Secretary.*

8 ~~(b)~~ (c) The Secretary shall issue such regulations, not
9 inconsistent with this Act, as he deems necessary or appro-
10 priate for the effective and efficient administration of the
11 food stamp program.

12 ELIGIBLE HOUSEHOLDS

13 SEC. 5. ~~(a)~~ Households eligible to participate in the
14 food stamp program shall be those whose economic status
15 is such as to be a substantial limiting factor in the attainment
16 of a nutritionally adequate diet.

17 ~~(b)~~ Each State shall establish standards to determine
18 the eligibility of applicant households which standards,
19 among other things, shall take into account such of the
20 factors used by each State in granting assistance under the
21 federally aided public assistance programs as the Secretary
22 determines will tend to effectuate the purposes of the food
23 stamp program. The standards of eligibility to be used by

1 each State for the food stamp program shall be subject to the
2 approval of the Secretary.

3 *SEC. 5. (a) Participation in the food stamp program*
4 *shall be limited to those households whose income is determined*
5 *to be a substantial limiting factor in the attainment of a*
6 *nutritionally adequate diet.*

7 *(b) In complying with the limitation on participation*
8 *set forth in subsection (a) above, each State agency shall*
9 *establish standards to determine the eligibility of applicant*
10 *households. Such standards shall include maximum income*
11 *limitations consistent with the income standards used by the*
12 *State agency in administration of its federally aided public*
13 *assistance programs. Such standards also shall place a limi-*
14 *tation on the resources to be allowed eligible households. The*
15 *standards of eligibility to be used by each State for the food*
16 *stamp program shall be subject to the approval of the*
17 *Secretary.*

18 ISSUANCE AND USE OF COUPONS

19 *SEC. 6. (a) Coupons shall be printed in such denomina-*
20 *tions as may be determined to be necessary, and shall be*
21 *issued only to households which have been duly certified as*
22 *eligible to participate in the food stamp program.*

23 *(b) Coupons issued to eligible households shall be used*
24 *by them only to purchase food in retail food stores which*
25 *have been approved for participation in the food stamp*

1 program at prices prevailing in such stores: *Provided*, That
2 nothing in this Act shall be construed as authorizing the
3 Secretary to specify the prices at which food may be sold by
4 wholesale food concerns or retail food stores.

5 (c) Coupons issued to eligible households shall be simple
6 in design and shall include only such words or illustrations
7 as are required to explain their purpose and define their
8 denomination. The name of any public official shall not
9 appear on such coupons.

10 VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE
11 **MADE**

12 SEC. 7. (a) The face value of the coupon allotment
13 which State agencies shall be authorized to issue to house-
14 holds certified as eligible to participate in the food stamp
15 program shall be in such amount as will provide such house-
16 holds with an opportunity more nearly to obtain a *low-cost*
17 nutritionally adequate diet.

18 (b) Households shall be charged such portion of the
19 face value of the coupon allotment issued to them as is de-
20 termined to be equivalent to their normal expenditures for
21 food.

22 (c) The value of the coupon allotment provided to any
23 eligible household which is in excess of the amount charged
24 such households for such allotment shall not be considered
25 to be income or resources for any purpose under any Fed-

1 eral or State laws including, but not limited to, laws re-
2 lating to taxation, welfare, and public assistance programs.

3 (d) Funds derived from the charges made for the
4 coupon allotment shall be promptly deposited in a manner
5 prescribed in the regulations issued pursuant to this Act, in
6 a separate account maintained in the Treasury of the United
7 States for such purpose. Such deposits shall be available,
8 without limitation to fiscal years, for the redemption of
9 coupons.

10 APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD
11 CONCERNS

12 SEC. 8. (a) Regulations issued pursuant to this Act
13 shall provide for the submission of applications for approval
14 by retail food stores and wholesale food concerns which
15 desire to be authorized to accept and redeem coupons under
16 the food stamp program and for the approval of those appli-
17 cants whose participation will effectuate the purposes of
18 the food stamp program. In determining the qualifications
19 of applicants there shall be considered among such other
20 factors as may be appropriate, the following: (1) the nature
21 and extent of the retail or wholesale food business conducted
22 by the applicant; (2) the volume of coupon business which
23 may reasonably be expected to be conducted by the appli-
24 cant retail food store or wholesale food concern; and (3)
25 the business integrity and reputation of the applicant. Ap-

1 proval of an applicant shall be evidenced by the issuance to
2 such applicant of a nontransferable certificate of approval.

3 (b) Regulations issued pursuant to this Act shall re-
4 quire an applicant retail food store or wholesale food concern
5 to submit information which will permit a determination
6 to be made as to whether such applicant qualifies, or con-
7 tinues to qualify, for approval under the provisions of this
8 Act or the regulations issued pursuant to this Act. Regula-
9 tions issued pursuant to this Act shall provide for safeguards
10 which restrict the use or disclosure of information obtained
11 under the authority granted by this subsection to purposes
12 directly connected with administration and enforcement of
13 the provisions of this Act or the regulations issued pursuant
14 to this Act.

15 (c) Any retail food store or wholesale food concern
16 which has failed upon application to receive approval to par-
17 ticipate in the food stamp program may obtain a hearing
18 on such refusal as provided in section 13 of this Act.

19 REDEMPTION OF COUPONS

20 SEC. 9. Regulations issued pursuant to this Act shall
21 provide for the redemption of coupons accepted by retail
22 food stores through approved wholesale food concerns or
23 through banks, with the cooperation of the Treasury Depart-
24 ment.

ADMINISTRATION

1
2 SEC. 10. (a) All practicable efforts shall be made in the
3 administration of the food stamp program to insure that
4 participants use their increased food purchasing power to
5 obtain those staple foods most needed in their diets, and
6 particularly to encourage the continued use of those in abun-
7 dant or surplus supply so as not to reduce the total consump-
8 tion of surplus commodities which have been made available
9 through direct distribution. In addition to such steps as
10 may be taken administratively, the voluntary cooperation of
11 existing Federal, State, local, or private agencies which
12 carry out informational and educational programs for con-
13 sumers shall be enlisted.

14 (b) The State agency of each participating State shall
15 assume responsibility for the certification of applicant house-
16 holds and for the issuance of coupons: *Provided*, That the
17 State agency may, subject to State law, delegate its
18 responsibility in connection with the issuance of cou-
19 pons to another agency of the State government. There
20 shall be kept such records as may be necessary to ascertain
21 whether the program is being conducted in compliance with
22 the provisions of this Act and the regulations issued pursuant
23 to this Act. Such records shall be available for inspection
24 and audit at any reasonable time and shall be preserved

1 for such period of time, not in excess of three years, as may be
2 specified in the regulations.

3 (c) In the certification of applicant households for the
4 food stamp program there shall be no discrimination against
5 any household by reason of race, religious creed, national
6 origin, or political beliefs.

7 (d) Participating States or participating political sub-
8 divisions thereof shall not decrease welfare grants or other
9 similar aid extended to any person or persons as a conse-
10 quence of such person's or persons' participation in benefits
11 made available under the provisions of this Act or the regu-
12 lations issued pursuant to this Act.

13 (e) The State agency of each State desiring to par-
14 ticipate in the food stamp program shall submit for approval
15 a plan of operation specifying the manner in which such
16 program will be conducted within the State, the political
17 subdivisions within the State in which the State desires to
18 conduct the program, and the effective dates of participation
19 by each such political subdivision. In addition, such plan of
20 operation shall provide, among such other provisions as may
21 by regulation be required, the following: (1) the specific
22 standards to be used in determining the eligibility of appli-
23 cant households; (2) that the State agency shall undertake
24 the certification of applicant households in accordance with

1 the general procedures and personnel standards used by them
2 in the certification of applicants for benefits under the fed-
3 erally aided public assistance programs; (3) safeguards
4 which restrict the use or disclosure of information obtained
5 from applicant households to persons directly connected with
6 the administration or enforcement of the provisions of this
7 Act or the regulations issued pursuant to this Act; and
8 (4) for the submission of such reports and other information
9 as may from time to time be required. *In approving the*
10 *participation of the subdivisions requested by each State in*
11 *its plan of operation, the Secretary shall provide for an equi-*
12 *table and orderly expansion among the several States in ac-*
13 *cordance with their relative need and readiness to meet their*
14 *requested effective dates of participation.*

15 (f) If the Secretary determines that in the adminis-
16 tration of the program there is a failure by a State agency to
17 comply substantially with the provisions of this Act, or with
18 the regulations issued pursuant to this Act, or with the State
19 plan of operation, he shall inform such State agency of such
20 failure and shall allow the State agency a reasonable period
21 of time for the correction of such failure. Upon the expira-
22 tion of such period, the Secretary shall direct that there be
23 no further issuance of coupons in the political subdivisions
24 where such failure has occurred until such time as satisfactory
25 corrective action has been taken.

(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary deposit into the separate account authorized by section 7 of this Act, a sum equal to the amount by which the value of any coupons issued as a result of such negligence or fraud exceeds the amount that was charged for such coupons under section 7(b) of this Act.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 11. Any approved retail food store or wholesale food concern may be disqualified from further participation in the food stamp program on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as may be determined in accordance with regulations issued pursuant to this Act. The action of disqualification shall be subject to review as provided in section 13 of this Act.

DETERMINATION AND DISPOSITION OF CLAIMS

SEC. 12. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims

1 arising under the provisions of this Act or the regulations
2 issued pursuant to this Act.

3 ADMINISTRATIVE AND JUDICIAL REVIEW

4 SEC. 13. Whenever—

5 (a) an application of a retail food store or wholesale
6 food concern to participate in the food stamp program is
7 denied,

8 (b) a retail food store or a wholesale food concern
9 is disqualified under the provisions of section 11 of this
10 Act, or

11 (c) all or part of any claim of a retail food store or
12 wholesale food concern is denied under the provisions of
13 section 12 of this Act, notice of such administrative
14 action shall be issued to the retail food store or whole-
15 sale food concern involved. Such notice shall be deliv-
16 ered by certified mail or personal service. If such store
17 or concern is aggrieved by such action, it may, in accord-
18 ance with regulations promulgated under this Act, with-
19 in ten days of the date of delivery of such notice, file
20 a written request for an opportunity to submit informa-
21 tion in support of its position to such person or persons
22 as the regulations may designate. If such a request is
23 not made or if such store or concern fails to submit in-
24 formation in support of its position after filing a request,
25 the administrative determination shall be final. If such

1 a request is made by such store or concern, such informa-
2 tion as may be submitted by the store or concern, as
3 well as such other information as may be available, shall
4 be reviewed by the person or persons designated, who
5 shall, subject to the right of judicial review hereinafter
6 provided, make a determination which shall be final and
7 which shall take effect fifteen days after the date of
8 the delivery or service of such final notice of determina-
9 tion. If the store or concern feels aggrieved by such
10 final determination he may obtain judicial review thereof
11 by filing a complaint against the United States in the
12 United States district court for the district in which he
13 resides or is engaged in business, or in any court of record
14 of the State having competent jurisdiction, within thirty
15 days after the date of delivery or service of the final
16 notice of determination upon him, requesting the court
17 to set aside such determination. The copy of the sum-
18 mons and complaint required to be delivered to the
19 official or agency whose order is being attacked shall be
20 sent to the Secretary or such person or persons as he
21 may designate to receive service of process. The suit
22 in the United States district court or State court shall
23 be a trial de novo by the court in which the court shall
24 determine the validity of the questioned administrative
25 action in issue. If the court determines that such ad-

1 ministrative action is invalid it shall enter such judgment
2 or order as it determines is in accordance with the law
3 and the evidence. During the pendency of such judicial
4 review, or any appeal therefrom, the administrative
5 action under review shall be and remain in full force and
6 effect, unless an application to the court on not less
7 than ten days' notice, and after hearing thereon and a
8 showing of irreparable injury, the court temporarily
9 stays such administrative action pending disposition of
10 such trial or appeal.

11 VIOLATIONS AND ENFORCEMENT

12 SEC. 14. (a) Notwithstanding any other provisions of
13 this Act, the Secretary may provide for the issuance or pre-
14 sentment for redemption of coupons to such person or per-
15 sons, and at such times and in such manner, as he deems
16 necessary or appropriate to protect the interests of the
17 United States or to insure enforcement of the provisions of
18 this Act or the regulations issued pursuant to this Act.

19 (b) Whoever knowingly uses, transfers, acquires, or
20 possesses coupons in any manner not authorized by this Act
21 or the regulations issued pursuant to this Act shall, if such
22 coupons are of the value of \$100 or more, be guilty of a
23 felony and shall, upon conviction thereof, be fined not more
24 than \$10,000 or imprisoned for not more than five years, or
25 both, or, if such coupons are of a value of less than \$100,

1 shall be guilty of a misdemeanor and shall, upon conviction
2 thereof, be fined not more than \$5,000 or imprisoned for not
3 more than one year, or both.

4 (c) Whoever presents, or causes to be presented,
5 coupons for payment or redemption of the value of \$100
6 or more, knowing the same to have been received, trans-
7 ferred, or used in any manner in violation of the provisions
8 of this Act or the regulations issued pursuant to this Act
9 shall be guilty of a felony and shall, upon conviction thereof,
10 be fined not more than \$10,000 or imprisoned for not more
11 than five years, or both, or, if such coupons are of a value
12 of less than \$100, shall be guilty of a misdemeanor and shall,
13 upon conviction thereof, be fined not more than \$5,000 or
14 imprisoned for not more than one year, or both.

15 (d) Coupons issued pursuant to this Act shall be
16 deemed to be obligations of the United States within the
17 meaning of title 18, United States Code, section 8.

18 COOPERATION WITH STATE AGENCIES

19 SEC. 15. (a) Each State shall be responsible for financ-
20 ing, from funds available to the State or political sub-
21 division thereof, the costs of carrying out the administrative
22 responsibilities assigned to it under the provisions of this Act.
23 Except as provided for in subsection (b) of this section, such
24 costs shall include, but shall not be limited to, the certifica-
25 tion of households; the acceptance, storage, and protection of

1 coupons after their delivery to receiving points within the
2 States; and the issuance of such coupons to eligible house-
3 holds and the control and accounting therefor.

4 (b) The Secretary is authorized to cooperate with State
5 agencies in the certification of households which are not re-
6 ceiving any type of public assistance so as to insure the effec-
7 tive certification of such households in accordance with the
8 eligibility standards approved under the provisions of section
9 10 of this Act. Such cooperation shall include payments to
10 State agencies for part of the cost they incur in the certifica-
11 tion of such households. The amount of such payment to
12 any one State agency shall be 50 per centum of the sum of:
13 (1) the direct salary costs (including the cost of such fringe
14 benefits as are normally paid to its personnel by the State
15 agency) of the personnel used to make such interviews and
16 such postinterview field investigations as are necessary to
17 certify the eligibility of such households, and of the immediate
18 supervisor of such personnel, for such periods of time as they
19 are employed in certifying the eligibility of such households;
20 (2) travel and related costs incurred by such personnel in
21 postinterview field investigations of such households; and
22 (3) an amount not to exceed 25 per centum of the costs
23 computed under (1) and (2) above.

APPROPRIATIONS

2 SEC. 16. (a) To carry out the provisions of this Act,
3 there is hereby authorized to be appropriated ~~not in excess of~~
4 ~~\$25,000,000~~ for the fiscal year ending June 30, 1964; not
5 in excess of \$75,000,000 for the fiscal year ending June 30,
6 1965; not in excess of \$100,000,000 for the fiscal year end-
7 ing June 30, 1966; and not in excess of \$200,000,000 for the
8 fiscal year ending June 30, 1967; *and not in excess of such*
9 *sum as may hereafter be authorized by Congress for any*
10 *subsequent fiscal year.* Such portion of any such appro-
11 priation as may be required to pay for the value of the
12 coupon allotments issued to eligible households which is in
13 excess of the charges paid by such households for such al-
14 lotments shall be transferred to and made a part of the
15 separate account created under section 7 (d) of this Act.

(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section.

If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth

1 *herein, the Secretary shall direct State agencies to reduce the*
2 *amount of such coupons to be issued to participating house-*
3 *holds to the extent necessary to comply with the provisions of*
4 *this subsection.*

5 (c) If the Secretary determines that any of the funds
6 in the separate account created under section 7(d) of this
7 Act are no longer required to carry out the provisions of this
8 Act, such portion of such funds shall be paid into the mis-
9 cellaneous receipts of the Treasury.

10 (d) Amounts expended under the authority of this Act
11 shall not be considered amounts expended for the purpose of
12 carrying out the agricultural price-support program and
13 appropriations for the purposes of this Act shall be consid-
14 ered, for the purpose of budget presentations, to relate to
15 the functions of the Government concerned with welfare.

Amend the title so as to read: "An Act to strengthen
the agricultural economy; to help to achieve a fuller and
more effective use of food abundances; to provide for im-
proved levels of nutrition among low-income households
through a cooperative Federal-State program of food assist-
ance to be operated through normal channels of trade; and
for other purposes."

Passed the House of Representatives April 8, 1964.

Attest:

RALPH R. ROBERTS,

Clerk.

[Report No. 1124]

AN ACT

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

APRIL 9 (legislative day, MARCH 30), 1964

Read twice and referred to the Committee on
Agriculture and Forestry

JUNE 29, 1964

Reported with amendments

(Passed the House)

AN ACT

To amend the Department of the Interior to provide for the establishment of a Bureau of Land Management, and for other purposes.

Approved by the President

January 18, 1902

Act of Congress

Digest of CONGRESSIONAL PROCEEDINGS

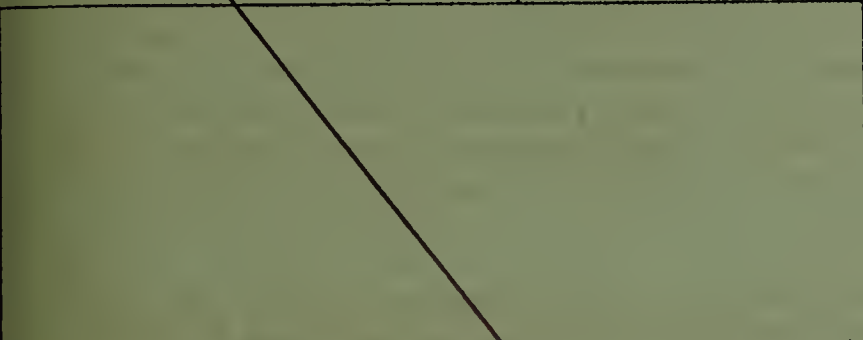
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official business Postage and fees paid
U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued July 1, 1964
For actions of June 30, 1964
88th-2nd; No. 131



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HIGHLIGHTS: Senate passed: Food stamp bill; Alaska releif bill. Senate subcommittee approved poverty bill. Senate committee granted delay in filing report on Estes investigation. Sen. McCarthy commended public service of Cochrane. Senate made pay bill pending business. Senate received Schnittker's nomination to CCC Board. House received conference report on water resources research bill. House debated foreign aid appropriation bill. House rules Committee reported resolution to concur in civil rights bill.

SENATE

1. FOOD STAMPS. Passed with amendments H. R. 10222, the food stamp bill (pp.14913-26). Conferees were appointed (p. 14926). House conferees have not yet been appointed. Agreed to an amendment by Sen. Miller to exclude imported foods from the program (p. 14926). Rejected an amendment by Sen. Cooper to provide that able bodies heads of households may be required to work a comparable time in terms of wages at the prevailing wages for the value of food received (pp. 14923-4). Rejected an amendment by Sen. Douglas to exclude soft drinks from the program (pp. 14924-5). The bill authorizes \$75 million for the first year, \$100 million for the second year, and \$200 million for the third year. Sen. Ellender explained the program would work as follows: "A State requests that a program be established in a certain area within its boundaries. That State develops a plan of operation and submits it to the Department of Agriculture. Upon approval by the Department, the State certifies low-income households as eligible under the program. These needy families then exchange the

amount of money they would normally spend for food for coupons of a higher monetary value. The difference between the amounts the households pay and the value of the coupons received represents the Federal contribution."

2. ALASKA RELIEF. Passed as reported in S. 2881, to provide authorization for Federal agencies to aid Alaska in recovering from the effects of the recent earthquake and seismic waves (pp. 14899, 14902-13). The bill gives discretionary authority to the Secretary of Agriculture to forgive, in whole or in part, indebtedness of farmers and rural residents who are borrowers from the Farmers Home Administration when necessary to enable them to recover from their earthquake losses, and authorizes the Secretary to refinance the outstanding indebtedness of other farmers and rural residents similarly damaged. Also, it authorizes the Secretary to adjust indebtedness under programs of the Rural Electrification Administration in Alaska to the extent the borrowers suffered direct earthquake damage.
3. POVERTY. The Select Subcommittee on Poverty of the Labor and Public Welfare Committee approved for full committee consideration with amendments S. 2642, the poverty bill. p. D529
4. PAY. H. R. 11049, the Federal pay bill, was made the pending business for consideration Wed. (p. 14952). Sens. Lausche, Clark, Proxmire, and Williams (Del.) submitted amendments intended to be proposed to this bill (pp. 14885-7, 14888).

As reported (see Digest 129), H. R. 11049, the Federal pay bill, includes provisions as follows: Increases the rates of compensation of positions in the Executive, Legislative, and Judicial Branches. Establishes five salary levels for top executive positions. Establishes the rate of compensation of \$35,000 for level I for Cabinet offices. Establishes the rate of compensation of \$30,000 for specified positions in level II. Establishes the rate of compensation of \$28,500 for specified positions in level III, including the Under Secretary of Agriculture. Establishes the rate of compensation of \$27,000 for specified positions in level IV, including the Assistant Secretaries of Agriculture, USDA General Counsel, and Governor of the Farm Credit Administration. Establishes the rate of compensation of \$26,000 for specified positions in level V, including the USDA Assistant Secretary for Administration, the Administrators of AMS, ARS, ASCS, FHA, REA, SCS, and FAS, Chief of the Forest Service, USDA Director of Agricultural Economics, and USDA Director of Science and Education. Authorizes the President to place 20 additional positions in levels IV and V. Changes the title of Administrative Assistant Secretary to Assistant Secretary for Administration. Provides that rates of compensation for ASC county committee employees shall be increased to correspond, as nearly as possible, with increases provided for classified employees. Increases from 9 to 10 the number of within-grade rates for grades GS-11 through GS-14, from 8 to 10 the number for grade GS-15, and from 5 to 9 the number for grade GS-16. Authorizes the appointment of individuals at rates above the minimum of the grade in grades GS-13 and above in special circumstances. Requires Federal agencies to absorb, for fiscal year 1965, not less than 10 percent of the aggregate amount of the pay increases. Provides that the salary-fixing authority of heads of departments may not be used to fix rates in excess of the highest rate for grade GS-18. Permits hearing examiners who are found qualified at grade GS-16 to be so classified by the Civil Service Commission. Provides that the salary increases shall become effective July 1, 1964, except that increases for Members of Congress shall be effective Jan. 3, 1965, and increases for officers and employees of the Congress whose salaries under the bill would exceed \$22,000 shall be effective the first pay period beginning after Jan. 1, 1965.

Good Friday. Those provisions deal with small-boat harbor and other navigation problems, with roads, with marketing of the State's bonds or loans to the State, with urban renewal and with several Federal programs which we seek to liberalize to meet the needs.

There is an imperative requirement that we approve these provisions without delay because the construction season—all too short in Alaska—is at hand. Every day which passes without the authority contained in this bill carries with it a threat to the reconstruction effort.

Mr. Chairman, 6 years ago, lacking but a few days, the Senate was debating the merits of the Alaska statehood bill and on the final day of June in that year 1958 passed the measure and sent it to the White House. The advocates of the statehood movement—and certainly this committee which had jurisdiction over that measure—had a devotion to the cause for many reasons, principal among them being the desire to promote the economic growth of this great area of ours. Such growth did result. But that growth was dealt a devastating blow 68 days ago when the very economic heart of Alaska was bruised and damaged by a catastrophe of a kind greater than experienced anywhere in our country by forces outside our control.

I contend that what has already been done for Alaska and what we are seeking here with S. 2881 is the very least, not the maximum of what should be done. Expansion of the provisions of this bill may be desirable, and in one area particularly is imperative. I speak now to the matching provisions for urban renewal projects. Such projects will permit a relocation of homes and businesses and comprise a program which offers major assistance. Under existing law, the maximum matching is on a 75 Federal-25 local basis. Perhaps in some of the communities in the disaster areas the local share can be met but certainly this is not true in all of them. These communities have lost considerable sums in tax revenues and even if reimbursed through transitional grants voted by the Congress, the costs of local shares in urban renewal are far above revenues necessary for normal operations. I urge, therefore, that consideration be given by this committee to permit when necessary a 90-10 matching formula in connection with urban renewal projects. This is an area where a liberal approach is logical and should be taken.

Other liberalizing proposals may be advanced, and I know the committee will consider them in the light of the great need outstanding.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2881) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JACKSON. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOOD STAMP ACT OF 1964

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1066, H.R. 10222, the so-called Aiken food-stamp plan bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 5, after the word "among", to strike out "economically needy" and insert "low-income"; in line 13, after the word "households", to strike out "in economic need" and insert "with low incomes"; in line 20, after "(b)", to strike out "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary, and those foods which are identified on the package as being imported from foreign sources when they arrive at the retail store." and insert "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store."; on page 5, after line 2, to insert:

(b) In areas where a food stamp program is in effect, there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a national or other disaster as determined by the Secretary.

At the beginning of line 8, to strike out "(b)" and insert "(c)"; after line 12, to strike out:

Sec. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

And, in lieu thereof, to insert:

Sec. 5 (a) Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) In complying with the limitation on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such standards shall

include maximum income limitations consistent with the income standards used by the State agency in administration of its federally aided public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

On page 7, line 16, after the word "a", to insert "low-cost"; on page 12, line 9, after the word "required.", to insert "In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."; at the top of page 13, to insert:

(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary deposit into the separate account authorized by section 7 of this Act, a sum equal to the amount by which the value of any coupons issued as a result of such negligence or fraud exceeds the amount that was charged for such coupons under section 7(b) of this Act.

On page 19, line 3, after the word "appropriated", to strike out "not in excess of \$25,000,000 for the fiscal year ending June 30, 1964;"; in line 8, after "1967", to insert a semicolon and "and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year"; and at the beginning of line 22, to insert "If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth herein, the Secretary shall direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection."

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, the main purpose of this bill is to bring under congressional control the rules, regulations and appropriation authorizations under which food stamp programs are to be operated in local areas throughout the country.

First, let me point out that food stamp programs are not new. A similar program called the food stamp plan was operated by the Department of Agriculture during the period 1939-43. That plan proved to be an effective method for increasing food consumption among participating households. It was discontinued in 1943 when wartime conditions had greatly reduced unemployment and substantially increased de-

mands upon U.S. food supplies. At the height of participation in 1942, there were 1,741 counties and 88 cities included in the program. Average monthly participation totalled 3.4 million persons in 1942 and Federal costs totaled \$112 million. In 1961, the first pilot food stamp project under the present program was inaugurated in McDowell County, W. Va. Pilot projects were gradually expanded. In March of this year they were in effect in 43 rural and urban areas in 22 States, with some 392,000 participants.

These pilot projects are operated under the basic authority of section 32 of the act of August 24, 1935, as amended, which authorizes expenditures to encourage the domestic consumption of agricultural commodities through "benefits, indemnities, donation, or by other means among persons in low-income groups as determined by the Secretary of Agriculture." This same authority was also used previously by the Department to operate the food stamp plan between 1939 and 1943, and it would be legally possible to continue food stamp programs under this general authority under the complete discretion of the Secretary of Agriculture. Section 32 provides no guidelines or congressional controls over the operating details or size of the program, and the pending bill would supply this need.

The pilot food stamp program has now been in effect for 3 years. During this period, the Department of Agriculture has gained experience which will minimize administrative problems in the conduct of the program as it is gradually expanded.

Of course, it is the intention of the Department to phase out the presently operating free food distribution programs as the food stamp program expands. Further, as I will point out later, the committee prohibits the operation of both programs in the same area, except in temporary emergency situations resulting from natural or other disasters.

In brief, this is how the program works. A State requests that a program be established in a certain area within its boundaries. That State develops a plan of operation and submits it to the Department of Agriculture. Upon approval by the Department, the State certifies low-income households as eligible under the program. These needy families then exchange the amount of money they would normally spend for food for coupons of a higher monetary value. The difference between the amounts the households pay and the value of the coupons received represents the Federal contribution.

During the 3 years the pilot program has been in effect, approximately \$56 million in the form of Federal food coupons was added to the \$91 million of their own cash that the participating families paid in order to obtain the additional food purchasing power.

The participating families use these coupons to purchase food out of regular commercial supplies at approved retail stores. Retailers redeem the coupons through the facilities of the commercial banking system. These procedures,

tested by experience, are used under the discretionary authority of the Secretary of Agriculture.

Generally speaking, the bill includes the desirable administrative features which were developed and tested by experience. In addition, the bill provides more detailed guidelines, and tightens the procedures where appropriate.

Under the bill the initiative for the establishment of a food stamp program in any area must originate with the State in which the area is located. The program is made available in any area only if the State requests it, submits a plan setting out eligibility standards consistent with other State programs, and actively participates in it, accepting the responsibility for local administration.

Two committee amendments apply in this area. First, the committee amended the bill to prohibit the distribution of federally owned foods to households under the authority of any other law in any area in which a food stamp program was effective, except during emergency situations. The effect of this would be to prevent both a food stamp program and a food distribution program from being conducted simultaneously in the same area. And second, the committee included language which would provide for an equitable and orderly expansion of the food stamp program among the several States in accordance with their need and readiness to meet their requested effective dates of participation.

To initiate the program in any State, the State agency responsible for the administration of federally aided public assistance programs would submit to the Secretary for approval a plan of operation for the food stamp program in its State, specifying the various political subdivisions in which the program would be effective, the standards to be used in determining the eligibility of applicant households, and other details.

In this connection the committee amended the bill to restrict participation to those households whose income is a limiting factor in the attainment of a nutritionally adequate diet, and to provide for use of income standards essentially the same as those used by the State in the administration of its federally aided public assistance programs. These same standards would apply to non-welfare assistance participants as well as welfare assistance participants.

In order to assure that the program would not be used to attempt to revolutionize well-established food habits and that the value of free coupons would not be such as to encourage uneconomical food expenditures, the committee added the words "low-cost" to the type of diet recommended by the Department as being the objective of the food stamp program.

The State welfare agency would be responsible for the certification of all applicant households and would be required to use the same care and diligence that it uses in other programs administered by it. An amendment was considered by the committee that would have provided for State participation in the cost of the bonus coupons for persons not on other relief programs administered by

the State. The idea was that such State financial participation would assure due diligence on the part of the State in certifying such persons. The committee felt that this would impose the most cost on those States which have the greatest need and are least able to pay. The committee recommended amendment which would require the State to pay all of the cost of the bonus coupons provided for persons improperly certified as a result of gross negligence or fraud. This would impose all of the cost of careless certification on the State not using proper diligence.

Mr. President, the committee felt that the adoption of this amendment would deter States from going all out to provide coupons for people who were not entitled to them.

Coupons would be redeemable at approved retail stores for any food or food products for human consumption, except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store. This last exception is a committee amendment designed to prevent Federal funds being used to subsidize meat imports.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. This is one amendment that I am concerned about. Without this amendment, we could be embarking for the first time upon a program of subsidizing the use of foreign meat imports in this country. What would be the penalty for violation?

Mr. ELLENDER. The penalties are stated in the bill. It would provide for 1 year in jail and up to \$5,000 fine, if the value of the coupons used for the imported meats was less than \$100. If a greater value of coupons were involved the penalties could be up to 5 years in jail and up to a \$10,000 fine.

Mr. YOUNG of North Dakota. The same penalty as would be provided for the violation of any other misuse of coupons?

Mr. ELLENDER. Yes.

Mr. YOUNG of North Dakota. Is it the understanding of the Senator that this amendment would prohibit a retailer, for example, from importing a whole carcass of beef, and grinding it up in his store into hamburger and selling it?

Mr. ELLENDER. That is the purpose. As was stated in the executive session, a Senator had noticed that in many of the large food stores they had boneless meat which had been imported from Australia. It was mixed in with meat that had been produced in this country. It was all ground together in making hamburger.

The committee liked the language that the Senator from North Dakota submitted. It was his amendment. The committee unanimously adopted that amendment so as to make it as certain as possible that no foreign meats would be subsidized in this program.

Mr. YOUNG of North Dakota. I thank the Senator from Louisiana. I have supported a food stamp program

ever since I first came to Congress. I am pleased that we are finally getting a program of this kind on the statute books. I believe it is a vastly improved bill over that which came to us from the House. I am satisfied that in this form it will be a good, workable program.

Mr. ELLENDER. I thank the Senator. I yield to the Senator from Iowa.

Mr. MILLER. How effective will this amendment really be? I understand that the Department of Commerce has interpreted the law that is now on the books with regard to imported items, as requiring the labeling of the imported items only at the wholesale level. If this is so, the provision as to meat and meat products which are identified at the retail food store would not be affected. Is this not correct?

Mr. ELLENDER. A great deal of the meat that the Senator refers to is handled by the large food stores. The large food stores mix meat that they obtain locally, or in other parts of the country, together with meats that they obtain from abroad. There is no way to identify it, at present, when it reaches the meat counter. But it was identified as imported when it was received at the store. Under the bill it would be excluded from the program. The retailers would be put on notice under this bill that they would be subject to fine and imprisonment if they used meat coming from abroad, and sold it for coupons under this program.

Mr. MILLER. If this amendment to the bill actually so provided, the Senator from Iowa would not be concerned.

All the language in the bill states is that the term "food" shall mean meat and meat products, except meat and meat products which are identified as being from foreign sources when they arrive at the retail food store.

If I happened to be a store owner, how could I possibly be subject to imprisonment if I should receive a cargo of beef from a wholesaler and mix it into a hamburger and turn it over for food stamps? How could I be subject to a charge of violating the law if the meat were not identified at the time it arrived at the retail food store?

Mr. ELLENDER. The Senator should understand that the problem is a very vexing one. We could not provide for the stamping of each piece of meat that is purchased by a retail store. However, most of the foreign meat is purchased by the large food stores, as I understand. Much of it is purchased in carcass forms, frozen, exactly in the form in which it was imported. We discussed that subject in executive session. The large food stores are the ones who cut the meat into steak or mix it with other meat for the purpose of making hamburger. Section 1304 of title 19 of the United States Code requires all imported articles to be conspicuously, indelibly, and permanently marked so as to indicate to the ultimate purchaser the name of the country of origin. Any person who, with intent to conceal such information, destroys or obscures such mark is subject to \$5,000 fine and a year in prison. The carcass would therefore clearly be identified as imported when it is received at the store.

The onus would then be on the retailer. I believe we would be able to make a good case against a retailer who tried to violate this provision. Those who would sell meat in violation of the law could be punished.

Mr. President, the committee did the best it could.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. I invite attention to the definition of "retail food store" in paragraph (f) at the bottom of page 3 of the bill:

(f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

That statement is interpreted to mean that a retail food store includes its packing and processing operations, where it is possible to control the situation. I agree with the Senator from Iowa that if it were a retail outlet alone, it would be very difficult, if not impossible, to enforce that provision of the law. But when we include packing and processing plants—

Mr. ELLENDER. That is why I made the statement which I did.

Mr. AIKEN. That is why that provision is in the bill.

Mr. ELLENDER. In answer to the question of the distinguished Senator from Iowa [Mr. MILLER], that is why I stated that the meat would be handled in carcass form by the retailer, as well as the wholesaler. It is the large stores or chains that receive the carcasses and cut them up, possibly at their warehouses or other fabricating facilities.

Mr. MILLER. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield, without losing my right to the floor.

Mr. MILLER. I should like to ask the Senator from Vermont about the provision at the bottom of page 3 to which he referred. I cannot see anything in that provision which indicates that the term includes a processing plant. It provides:

The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

To my knowledge, a processing plant generally does not sell to households; it sells to retail stores which in turn sell to households. I do not follow the Senator from Vermont in his discussion of that provision.

Mr. AIKEN. A representative of the Department of Agriculture advised us that a packing and processing plant is considered a recognized department of a retail food store. That was the statement which he made to us, and that is what I am now repeating.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield for a further question?

Mr. ELLENDER. Surely.

Mr. MILLER. If it is the intention of the committee, supported by the interpretation of the Department of Agricul-

ture spokesman, that the definition in item (f) on the bottom of page 3 does include processing plants, I should like to ask the Senator whether he would agree to an amendment which would spell that out specifically so that the term "retail food store" would mean an establishment, including a recognized department thereof, and including a processing plant.

Mr. ELLENDER. We discussed the question considerably in executive session. A whole morning was spent on that proposal. I can well recall the suggestions made by my good friend the Senator from North Dakota that he would not vote for a bill which would subsidize foreign meats, and I do not blame him for that position. We made suggestions to the Department. During the recess it came forward with an amendment which was adopted by the full committee and reported to the Senate. If a packing or processing plant is part of a chain store or supermarket establishment, it would be covered. If the meat is identified when received at the chain store's fabricating plant as imported, it is excluded even though it is unmarked hamburger when it arrives at the chain store's local outlet.

Mr. MILLER. I appreciate the explanation of how this language came about, but I believe the important thing is that if there is any question about the validity of the committee's work, all we have to do is merely to write into the bill what the Secretary of Agriculture testified to.

Mr. ELLENDER. The Senator may present his amendment, if he desires to do so, at the proper time. I am sure that the Senate will consider it.

Mr. MILLER. Mr. President, will the Senator yield for another question?

Mr. ELLENDER. I yield.

Mr. MILLER. At the top of page 3 of the bill appears a definition of food, which we were discussing. Would not such an amendment be a very effective way of preventing from happening what the Senator from North Dakota does not wish to have happen, and what apparently the committee does not wish to have happen; namely, to subsidize foreign imports through the food stamp plan and make it illegal for someone to receive food stamps in exchange for imported meat products? If that action were taken, the retailer would sell at his peril, and he would know that if an inspector found him accepting food stamps in exchange for such imported items, subsidizing imported items, contrary to the intention of the committee, he would be in deep trouble. I wonder if that possibility has been discussed.

Mr. ELLENDER. As I read the bill, the intention is not to use food stamps to buy imported meats. It goes without saying that if anyone tries to bypass that provision, he will violate the law and subject himself to criminal prosecution as provided in the bill.

Mr. MILLER. I appreciate the explanation. I appreciate what the committee intends to do.

Mr. ELLENDER. I believe the bill does that. If any of the coupons were used for any purpose other than the purpose described in the bill, the offend-

er could be punished. Not only that, but, as I pointed out previously, if a State should provide for the issuance of coupons to persons who are not entitled to them, the State would be responsible to the Government. I believe we have done all that is humanly possible in order to guard the bill or to put guidelines in it so as to protect the interests of the Government and the State.

Mr. MILLER. I shall not labor the point, but I thank the Senator from Louisiana for bringing it out of the committee. The Senator from Iowa may well prepare an amendment which will be designed only to make it clear and to reinforce the committee's intention on that point.

Mr. ELLENDER. If the Senator will read the report, he will learn from that report that we inserted language in it in an effort to indicate what the committee meant by the amendment to which the Senator referred.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. As a sponsor of the amendment, I wish to say that the intention was to prohibit the use of all foreign meats in the food stamp program.

Mr. ELLENDER. Surely; and if anyone uses coupons to buy foreign meat, he will violate the law and be subject to a penalty.

Mr. WALTERS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WALTERS. The retail store owner would have the responsibility of finding out for himself whether or not he was dealing in foreign meats. His responsibility is not eliminated. It would be up to him to find out for himself if he had foreign meats.

Mr. ELLENDER. If he does it intentionally, if he knows he is selling foreign meat in violation of this law, of course, he would be responsible.

Mr. WALTERS. But it would be his responsibility to find out for himself.

Mr. ELLENDER. Yes; that is the intention of the committee. The bill excludes meat products, and I quote, "identified as being from foreign sources when they arrive at the retail food store." They might be so identified by tag, label, invoice, or other means. The retailer could not ignore any identification of the meat as from foreign sources, whatever form that identification might take.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Do I understand correctly that, first, the States have to accept the plan; second, that it is to be State administered; and, third, that approximately 60 percent of the food is to be paid for by the people who buy it, and that 40 percent is to be contributed by the Government?

Mr. ELLENDER. That has been the case with the pilot program. The State accepts the responsibility of distributing the stamps, taking care of them, and seeing to it that they are distributed to the people entitled to them. The State also

accepts responsibility for the program for a certain area, or two or three areas that may not be contiguous, in the State.

As I tried to point out and as I recall, under the pilot program in the last 3 years of the program the Government put up \$56 million as compared to \$91 million by the householders.

Mr. SALTONSTALL. The proportion was about 60 to 40.

Mr. ELLENDER. To be exact, the figure is about 38.6 percent by the Government and the rest by the recipients. However, that fact does not mean that in the future the same proportion that my good friend has mentioned will exist. The bill provides for \$75 million for the first year, \$100 million for the second year, and \$200 million for the third year.

The committee adopted an amendment which would permit the Secretary of Agriculture to cut back percentage-wise on the amount of stamps to be given to recipients.

A suggestion was made that each State be apportioned a certain amount of money, but that would not work. We preferred to provide that the amount of stamps to be given to the recipients would be reduced, rather than have the Department come back to Congress and obtain more money. In other words, we say, "We are allowing you \$75 million for the year 1965, and you make that do." The same would apply to the second year and the third year.

Mr. SALTONSTALL. Does the Senator think that it would result in some States not receiving any fund?

Mr. ELLENDER. No, because instead of giving to the State 36.6 percent, as prevailed in the pilot program, the Department would make it 25 percent, so as to enable the money that is provided to go to the areas in the States that have applied to participate in the program.

Mr. SALTONSTALL. I thank the Senator.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON. I think it should be stated that no State will be forced into this plan. Any State will be able to go into it if it wishes to, and any State will be able to stay out of it if it wishes to.

Mr. ELLENDER. That is correct.

I wish to repeat for the benefit of Senators who may not have been present that this food stamp program has been in effect for quite some time without any guidelines, and without any limit as to the amount that could be spent by the Secretary of Agriculture. This bill places it in the form of a cooperative effort on the part of the Federal Government and the States to administer and manage this program. It will be up to the States to develop their respective plans in certain areas of the States. They will have to obligate themselves to select the persons entitled to aid under the terms of the bill, and they will have the responsibility of issuing the stamps to recipients entitled to them.

As I pointed out, if the States should not do a good job, if perchance fraud were exercised by some politicians in the distribution of the coupons, the Federal

Government would not lose anything. The States would be responsible for it. We thought it best to put that provision in the bill so the State administrators would be more careful in seeing who shall and who shall not be entitled to receive stamps under this program.

To continue with my statement, I point out to the Senate that the term "retail food store" in the bill is defined as an establishment.

That was the point raised by my good friend from Vermont. He anticipated me when he brought it up.

In the committee report we point out that an establishment, among other things, would include a central warehouse, a distribution center, or a meat fabrication facility operated by a retail store.

The committee gave a great deal of consideration to the definition of "food," since that determines what may be obtained for coupons, and what the participant must pay for his coupons. The participant pays an amount equal to his normal expenditures for food. A definition of food with extensive exclusions would make administration of the program extremely difficult, and open the door to abuse. As passed by the House, soft drinks, luxury foods, luxury frozen foods, and foods identified on the package as imported when received at the store were excluded from the definition of food. The exclusion of soft drinks, according to the dictionary definition, would exclude such important foods as milk and orange juice or other juices. The exclusion of luxury foods would exclude no one knows what. The Secretary would have to prepare a long, constantly changing list.

The retailer would have to be sure that participants and checkout clerks were advised of the foreign origin of all products shipped to the store in packages showing them to be imported. The committee felt that this definition would result in confusion and difficult administration. Furthermore, the participants can be relied on themselves to avoid the luxury items. They are given coupons only in an amount sufficient to provide them more nearly with an adequate low-cost diet. If they use their coupons for high priced items, they will suffer the consequences and learn by trial and error to make the best use of their coupons. They are in a much better position than the Secretary to know what is a luxury and what is a necessity for them, based on their own needs and on the prices in their areas and, in fact, in the store at which they purchase at the time they purchase.

The committee therefore struck out the exclusions for soft drinks, luxury foods, and luxury frozen foods. Except in the case of meat and meat products, the committee limited the exclusion of imported items to those shown to be imported on the package purchased by the participant. Meat and meat products, the committee felt, were in a special category, and the committee therefore excluded those items if identified as from foreign sources when they arrive at the retail food store.

The State is responsible for the costs of administering the food stamp program in all local areas created. These include costs of certifying participating households, the handling, storage and protection of coupons, the issuance of coupons to eligible households, and the control, accounting and reporting involved in the operation of the program. The Federal Government would share the cost with the State in the certification of non-welfare assistance households.

Penalties are provided for the misuse of coupons in any manner not authorized by the act. These penalties apply to eligible households, retailers, wholesalers, or any other person as well. Upon conviction for misuse, a person may be fined not more than \$5,000, or imprisoned for not more than 1 year, or both, if the value of the coupons illegally used is less than \$100; or be fined not more than \$10,000, or imprisoned for not more than 5 years, or both, if the value of the coupons misused is more than \$100.

Appropriations are authorized for 3 years in the amount of \$75 million the first year, \$100 million the second, and \$200 million the third. In order to assure—I emphasize this point—that the committee will have an opportunity to review the program at the end of the 3-year period, an amendment was adopted to require additional authorization before any further expenditures could be made.

The program must be administered only with the amount of money provided. We will try the program for 3 years under expanded conditions and then it is entirely possible that the program may be further refined and improved.

Considering the high cost and waste of the bulk food distribution program, I feel that this bill should be enacted. The committee, in adopting the limiting amendments, has in my opinion, strengthened the bill immeasurably. At the same time, however, we have not diluted the bill or thrown stumbling blocks in the way of efficient and effective administration. All of the amendments are designed to strengthen the hand of the Secretary of Agriculture in developing a sound food stamp program, and all of the amendments have the unqualified approval of the Secretary.

It is my hope that the Senate will see fit to accept the committee judgment and pass this bill expeditiously.

Mr. AIKEN. Mr. President, my interest in this program began about 1938, when certain communities in Vermont participated in the food stamp program of those days. The program appeared to work about the best of any of the new programs that were inaugurated in the 1930's.

Because of the interest which I took in the program when I came to Congress, I found it advisable to try to interest Congress in renewing the program. After 20 years, my hopes appear to be almost realized. A comparable bill was introduced by Senator LaFollette and myself in 1943. In succeeding years we were joined by Senators YOUNG of North Dakota, HUMPHREY, and ANDERSON, and, in the late fifties, by former Senator Watkins, of Utah.

It has always seemed to me that we ought not to tolerate want in the midst of plenty, and yet that appears to be a rather chronic condition with us.

I shall not undertake to go into detail on this type of legislation. The bill has been improved from time to time, and I think the one which is before us now, and which is to a considerable extent the result of the efforts of Representative LEONOR K. SULLIVAN, of Missouri, in the House, is the best bill which we have had an opportunity to even read, much less consider on the floor of the Senate.

I shall later ask to have inserted in the RECORD a part of the statement which I made before the Senate Committee on Agriculture and Forestry on June 14, 1944. I believe the part of the testimony which I shall ask to have inserted will explain better than I can my interest in this particular bit of legislation.

This program is designed, of course, primarily to improve the health of a large number of Americans who presently are unable to get enough of the right kind of food to live decently. But for the past 20 years we have been increasing our cost of farm programs. It is my hope that the enactment of this program will result in materially broadening the market for farm commodities.

I do not believe people realize that this year it is costing us about \$2½ billion to pay farmers for not growing food, and about \$1 billion more to support farm prices of food which they do produce, or a total of \$3½ billion. That is all charged to the farm program.

The bill is not perfect, but I think if we can get away from spending several billion dollars a year in paying farmers not to produce food, and toward a program which will help consumers consume that food, we may not only be improving the health of the people of this country but also the economic health of our agriculture.

When we tell farmers not to produce, we hurt the economy of the community which used to produce agricultural commodities but no longer produces them because the people there can be paid for not producing.

No one can guarantee just what the bill would do. We cannot guarantee that it would not be improperly applied. We know that the intent of the committee is that no coupons shall be used for purchasing foreign beef. We cannot guarantee that no one, either in Government or in the trade, will cheat. It is difficult to find a program of this extent in which there is no cheating whatever. But it is worth trying.

The legislation will be tried for a limited period of time, 3 years. When the 3 years are up, we can either extend the legislation, we can amend it and improve it, or, if it does not work, we can drop it completely. In the meantime, however, the appropriation of \$75 million for the first year, \$100 million the second year, and \$200 million the third year, is a very small amount compared with the \$3½ billion that it will cost us this year to pay farmers not to produce and to support farm prices.

This program is very much worth the 3-year trial. For that reason I hope it will be supported.

I ask unanimous consent to have the excerpt of my testimony in 1944 printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR GEORGE D. AIKEN
PRESENTED TO THE SUBCOMMITTEE OF THE
SENATE COMMITTEE ON AGRICULTURE AND
FORESTRY APPOINTED TO CONSIDER S. 1331,
FRIDAY, JANUARY 14, 1944

I am cosponsoring this bill because I believe it to be a better solution to the problem of how to maintain the health and efficiency of our low-income citizens than any other plan that has so far been suggested.

I know it is not a perfect plan. I doubt if there is any perfect plan. This bill may be rejected by this committee. If it is approved by the committee, it may be rejected by either House of Congress. But, even though it is not enacted into law, yet I believe that these hearings may do much good. If out of the testimony which may be presented here there can be developed a better plan, I will gladly support it.

In these days of high wages, high prices, and large profits, when money is spent freely and often recklessly; when there is competitive bidding in the black market for insufficient quantities of certain foods, we are likely to get the impression that everyone is well off. I wish this were so. I wish that everyone had adequate means to support themselves comfortably, but that is not the case.

Millions of our American citizens do not have an income sufficient to enable them to maintain their health—to say nothing of living in luxury or even in comfort. Among these are 2,200,000 recipients of old-age pensions, 700,000 persons drawing old-age and survivors insurance under the social security programs, about 1 million disabled veterans drawing pensions or disability compensation, or their widows and dependent children, over 150,000 retired and disabled firemen, policemen, State and municipal employees; dependent children receiving aid through Federal and State welfare funds to the number of 739,000, blind people to the number of 53,000, and many persons living on a fixed income too low to enable them to buy the food they need.

At the time this bill was drawn, there was an indeterminate number of dependents of the 9 to 10 million men in our Armed Forces who would have been eligible under the provisions of this plan. These have since been better provided for by the increase in servicemen's allotment, but no doubt there is still a large number who would be eligible.

I would like to call the committee's attention here to the average amounts received as pensions or compensation by the veterans of our wars.

One hundred forty thousand veterans of the Spanish-American War average \$57.80 a month.

Four hundred and twenty-six thousand veterans of World War I are drawing \$39.02 a month and we already have over 8,000 veterans of World War II drawing an average of \$40 a month.

The widows and children of deceased veterans of the Civil War average \$37.70 a month; of the Spanish-American War, \$30.56; of World War I, \$44.11; and of World War II, \$48.42.

An average of \$34.09 per month is being paid to the families of 13,449 men in the Armed Forces who died from service-connected disability in peacetime.

I would add to these numbers which I have given you several million low-income workers whose paychecks have not increased during the years of the present war. These facts and figures should certainly bring home to us the realization that justice and mercy and income are not being equitably dispensed. Rising costs of living at a rate comparable to

the increased costs during other wars make the difficulties of these millions of low-income citizens more serious.

Most of the low-income people today are deserving. A few years ago chiselers and smalltime racketeers were to be found in considerable numbers among those requesting assistance from their Government or other sources. Today the chiselers have pretty much disappeared. They would not be interested in the smalltime income which this bill would provide. I think that is one reason why the group this bill is intended to help is so silent. They are not organized and they cannot demand. They are patient, law-abiding, patriotic citizens who deserve earnest consideration just as much as the groups which are organized and speak loudly through their spokesmen.

It has been said that the distribution of food allotment coupons would be humiliating to those whom necessity forces to request them.

I expect there are those of whom this is true. I am glad that we still have proud people in our country. The fact is, however, that under the old stamp plan between 60 and 80 percent of those eligible made application for stamps.

The fact is that pride has not caused some of our higher income persons to decline subsidies. Everywhere all through our land war-time bonuses are being paid and there is no record of broken pride. Even the employees of the U.S. Government have received bonuses of \$300 and up to help out on the cost of war-time living and I have heard no loud cries of resentment yet. The people whom this bill is designed to help are the ones who unfortunately cannot get cash bonuses or increases in salaries. A large part of them are unable to work for one reason or another. Thousands are borderline cases who may have to call upon their local government for help in the near future. Which will humble them most—to accept a war-time bonus to help out on the cost of living as higher paid groups are being helped—or a listing in the books of public relief and charity, which they do not deserve? During the great depression I saw people living under wretched conditions and doing without proper food to keep from going on relief. Most of them, however, accepted the stamp plan.

It is the purpose of this bill to provide equitable distribution of food in order to maintain health and productive capacity during wartime among low income consumers. The bill has been generally referred to as the stamp plan. It should not, however, be confused with the old stamp plan which was used partly as a relief measure and partly as a means of utilizing surplus farm commodities.

This plan provided for in S. 1331 attempts to make the best possible use of the experience gained through the application of the old stamp plan and at the same time eliminate the difficulties of that plan.

I wish to make it clear that the bill does not create any new organization for administering a food allotment plan. It will be under the direct supervision of a Deputy Director of the Food Distribution Administration, but the actual application will be in the hands of existing State, local, and, in some instances, private agencies. Because of regional variations of conditions, it is advisable to have this plan administered by persons familiar with each locality. For this same reason, provision is also made for regional differences with respect to the reasonable cost of the basic food allotments.

Administrative costs are to be paid by the Federal Government and must not exceed 5 percent of the funds appropriated. The bill sets no minimum income for determining eligibility because this amount would vary according to the variation in living

costs. It does, however, require a redetermination of such costs every 6 months.

The measure of eligibility is the insufficiency of normal food expenditures of households of various sizes and income classifications to meet the cost of basic food allotment.

A basic food allotment is defined as the amount of various kinds of food per person per week representing a minimum adequate diet. I must confess that the diet as defined in paragraph (c) of section 2 of the bill is a pretty good diet for a minimum. The diet prescribed in the bill has been worked out by the most efficient home economists. It undoubtedly smacks of idealism because it does prescribe what is supposed to be a perfect diet. It is probably a better diet than most people enjoy today even though they can amply afford it.

If this bill passes, it is unlikely that Congress would appropriate a sum to very closely approach this objective. It is, however, a mark to shoot at. It should be our aim to see that everyone enjoys an ample, well-balanced diet and we might as well aim for the bull's-eye in hopes that we may run up a better score than we have up to now.

The strength of a nation depends largely upon the health of its people, and health depends upon an adequate amount of the right kind of food.

Considerable apprehension has been created through the rather widespread inference that the cost would be in the neighborhood of \$3 billion. Such an estimate of cost is far, far outside the probable amount that would be required.

The War Food Administration has estimated that the current average cost of the basic food allotment as outlined in the bill would be approximately \$646 a year for an average family of 4 persons. It appears that the average family of 4 spending \$646 a year for food should be receiving an average income of not less than \$2,350 a year.

The \$3 billion figure is the maximum amount that could be spent under this bill if every person receiving less than \$2,500 per year for a family of four received every dollar's worth of coupons to which he might conceivably be entitled.

It is rather startling to learn that there are as many as 60 million people in this country receiving an income at a rate less than \$2,500 per year for a family of four.

In some large areas of our country, over 99 percent of the people would undoubtedly be eligible for assistance if Congress should choose this criterion.

It goes without saying that Congress would not, at the present time at least, use these figures as a yardstick in applying the provisions of the act. The bill provides, however, that if funds are not appropriated sufficient to make up the full difference between normal food expenditures and the cost of the basic food allotment, the food allotment coupons may be used to supplement normal purchases in such a way as to enable participating families to buy a certain percentage of the basic amounts. A reduction in the allowance for food coupons would also mean a decrease in the number of eligible families and persons.

If we should consider that eligibility should be based on a minimum income of \$2,500 for a family of four, we would find that 60 million people would be eligible to receive food allotment coupons to some degree. If everyone of these—both families and single individuals—took advantage of their eligibility and received the fullest amount of coupons that could be allotted, the total cost is estimated to be \$3 billion.

Now, assume that the Congress decides to allow only 90 percent of the full basic diet, which would probably still be as good or better than that enjoyed by the members of this committee, the number of persons

eligible would drop from 60 million down to 50 million, while the cost would drop from \$3 billion down to \$2,300 million, still assuming there would be 100 percent participation by all eligibles. But, it is not likely that the Congress would even appropriate for 90 percent of a full basic diet. It is more likely that a figure of 60 percent would be chosen, in which case the number of persons eligible would drop to 22,800,000 and the total cost would be about \$600 million if everyone eligible participated fully.

However, experience has shown that when the stamp plan was in effect, only 60 to 80 percent of the low-income people took advantage of it.

Assuming that 70 percent of those eligible take advantage of this food allotment program, and receive coupons to enable them to enjoy a 60 percent diet, the total cost would amount to \$420 million. This amount would substantially raise the living standards of 16 million of our lowest income people and protect them against actual want.

These 16 million people are the ones who really need and should have their meager income supplemented in order to maintain their health and efficiency and a reasonable degree of security and happiness. These are the people who average \$1,100 a year or less for a family of four.

If we wish to go down still further and subsidize only to the amount of 50 percent of the basic diet, we would find that 19,600,000 persons eligible could be taken care of at a cost of \$389 million if all participated or \$282 million if 70 percent participated.

It is obvious that the really low income people of our country could be raised from a state of want, though not to a state of luxury, by any means, for approximately \$400 million a year.

We cannot estimate the value received from this food allotment plan in terms of dollars and cents alone. By assuring millions of our people of enough to eat, we will be insuring many of them against the ravages of disease. We will keep an indeterminate number of them from calling upon their civic governments for relief. We will maintain or improve the efficiency of those who through part-time employment or otherwise are contributing materially to the war effort.

We can't put a dollar and cents value upon the eyesight, or the health of children now growing up in these borderline families. The money spent under the provisions of this plan might be returned to our country many times over in dividends of health and efficiency.

I have given the committee a general, rather than a technical, description of the food allotment plan as I see it. I reiterate what I said in the beginning. I know it is not a perfect plan. I know that it will likely lend itself to amendment by this committee, but such need for changes will develop as we listen to the testimony of many well-informed persons who will appear before us. As I said, we have tried to profit from the experience gained in applying the old stamp plan.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PROUTY. My distinguished senior colleague has demonstrated that dogged persistence over the years produces results. As he has said, back in 1943 he and the late Senator La Follette first introduced a bill of this nature. Throughout the years, he has worked hard and enthusiastically on this plan. I commend him most highly for bringing the dream to a reality. I am convinced in my own mind that it will be of tre-

mendous help to low-income families and also will expand farm markets. The distinguished senior Senator from Vermont deserves great praise from this outstanding achievement.

As a matter of historic interest, I ask unanimous consent that an editorial and an article published in the Rutland, Vt., Herald in 1945 be printed at this point in the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Rutland (Vt.) Herald, June 29, 1945]

AIKEN FOOD ALLOTMENT BILL

WASHINGTON.—The national food allotment bill is explained by its sponsors, Senators AIKEN, of Vermont, and La Follette, of Wisconsin, as a measure to provide adequate diets for low-income families and better markets for farmers.

The two Senators, representing two of the Nation's great dairy States, say that the bill lays equal emphasis on consumers' needs for better nutrition and farmers' need for broader markets. The following analysis of the measure is taken from a news release on the subject.

The basic principles of the food allotment program are simple.

The first step is to determine scientifically the level of nutrition needed to keep an average person strong and healthy, and to translate that nutrition level into actual amounts of lower cost foods.

The second step is to determine the value of the low-cost adequate diet periodically at current retail food prices. This cost, on a yearly basis, would be known as the "food allotment."

The third step is to supplement the buying power of families that are not able to afford low-cost adequate diets.

In carrying out the third step, needless redtape that would limit the effectiveness of the program must be avoided. At the same time, Federal funds must be used in the most effective way to raise levels of nutrition and improve farm markets.

For example, suppose the food allotment per person was \$15 a month. In that case, a family of four could buy food coupons worth \$60. If the family had an income of \$100 a month, it could get the coupons by paying 40 percent of its income, or \$40. If the family income were \$125, it could buy the same number of coupons for \$50. But if its income were \$150, the family would have to pay \$60 for \$60 worth of coupons, and therefore would find no advantage in participating. A family of five with an income of \$150, however, would again benefit by buying \$75 worth of coupons for \$60.

Thus, the Government's contribution would largely represent a net increase in family food consumption. An average family of four with an income of \$100 a month now spends about \$40 a month for food. Under the allotment program the Government would sell this family \$60 worth of food coupons for \$40. The net cost to the Government—\$20 a month—would in this case just equal the increased value of food consumed. Of course, it would not work exactly this way in all instances. Sometimes the increased food consumption might be a little less than the Government contribution, but in general, the Government money would be used for food; that is, for better diets, and larger markets for farm products.

How much would the program cost? Of course, that would depend on the Nation's level of prosperity and the number of eligible families who chose to participate. However, studies of what probably would have happened in past years with such a program in effect indicate that the cost of the food

allotment program might range between three-fourths of a billions dollars in times of prosperity to possibly \$2½ billion in times of depression. One of the great merits of the program would be its tendency to level off the ups and downs of the business cycle. In good times, Government spending under the program would contract; in bad times it would expand and counteract the tendency toward shrinking markets.

How would the food allotment program affect the Nation's levels of diet? Again the best way to find out is to go back to what would have happened in the past. Had the program been in effect in 1942, for example, participating families probably would have bought 60 percent more tomatoes and citrus fruit, 30 percent more milk, meat, poultry, and fish, and substantially larger amounts of vegetables and other fruits, eggs, and potatoes and sweetpotatoes. Purchases of other foods, such as grains, fats and oils, and sugar, would have remained about the same.

What could farmers expect in the way of better prices and incomes? The food allotment program not only would increase consumer food expenditures by about the amount of the direct Government contribution, it also would tend in many instances to strengthen food prices throughout the market. It has been estimated that a Government contribution of \$1 billion to a food allotment program in 1942 would have increased farm income from food products by about \$1½ billion.

The food allotment program is especially important as a means of carrying out the Government's commitment to support farm prices and farm income after the war. The soundest way of doing this is by insuring a large and stable market for agricultural products. We cannot long avoid a balance between supply and demand. Shall we reach this balance by a compulsory crop reduction program to reduce supply or by a voluntary food consumption program to raise demand? The second way—and the way provided in this bill—is certainly better both for farmers and for consumers, and it would lighten the burden of price support operations.

[From the Rutland (Vt.) Herald, Sept. 22, 1945]

SENATOR AIKEN OFFERS FOOD ALLOTMENT BILL—VERMONT SENATOR SAYS SUCH A MEASURE WOULD PROVIDE ALLTIME MARKET—BILL COMES UP SOON—VERMONT JOINED BY SENATOR LA FOLLETTE, PROGRESSIVE, OF WISCONSIN, IN OFFERING PLAN

(By Sidney A. Govenar)

WASHINGTON, Sept. 21.—Senator AIKEN, Republican, of Vermont, farmer and legislator, believes that in years ahead the greatest single problem of the Nation's farmers will be to find markets for all they can produce.

And AIKEN believes he has a solution to this major problem in his food allotment bill.

The measure, introduced jointly by AIKEN and Senator La Follette, Progressive, of Wisconsin, last June, is expected to come up for hearings before a subcommittee of the Senate Agriculture Committee soon, possibly next month.

AIKEN said, in an interview, that he is receiving many letters seeking quick action on his bill, some from New England dairy producers and fruitgrowers.

The Vermont Senator added, the purpose of his bill is twofold. First, he said, it would provide markets for farmers through normal channels, and second, it would enable lower income families to increase their food purchases, and thus improve their diets.

"Unless active measures are taken, we can expect that, even with full employment, American families will be going hungry while American farmers are looking for places to sell their products. With less than full employment, the outlook for want in the

midst of plenty would be far more serious," AIKEN said.

"The national food allotment bill is designed to head off such an unfortunate situation," he continued. "It is not, in the ordinary sense, either a welfare or a farm relief measure. It is an effort to put a floor under levels of nutrition for the Nation's families and to insure a large and stable market for food."

AIKEN said that the basic principles of the food allotment program are simple, and listed them as follows:

"The first step is to determine scientifically the level of nutrition needed to keep an average person strong and healthy and to translate that nutrition level into actual amounts of lower cost foods.

"The second step is to determine the value of the low-cost adequate diet periodically at current retail food prices. This cost, on a yearly basis, would be known as the food allotment.

"The third step is to supplement the buying power of families that are not able to afford low-cost adequate diets."

It has been found, AIKEN asserted, that on the average lower income families spend about 40 percent of their incomes on food. Under the proposed program, participating families would continue their normal spending for food. The Federal Government would contribute funds to buy additional food.

"This," AIKEN said, "would be accomplished by offering any family an opportunity to buy for about 40 percent of its income food coupons with a face value equal to the food allotments for all members of the family.

"Thus, while the value of the food coupons remained fixed, the amount that a family would pay for them would be determined by its money income. The Government would be bearing the difference between the family's contributions and the face value of the food coupons."

AIKEN explained how the plan would work with the following examples:

If the food allotment per person was set at \$15 a month, a family of four could buy food coupons worth \$60. If the family had an income of \$100 a month, it could get the coupons by paying 40 percent of its income, or \$40.

If the family income were \$125, it could buy the same number of coupons for \$50. But if the income were \$150 a month, the family would have to pay \$60 for \$60 worth of coupons, and therefore would find no advantage in participating.

"Thus the Government's contribution, would largely represent a net increase in family food consumption," AIKEN said. "An average family of four with an income of \$100 a month now spends about \$40 a month for food. Under the allotment program the Government would sell his family \$60 worth of food coupons for \$40. The net cost to the Government—\$20 a month—would in this case just equal the increased value of food consumed.

Mr. AIKEN. I thank my colleague from Vermont. There has been a considerable change of heart about this legislation in the past 20 years, but it has been a change for the better. The bill we are now considering is much improved over the one which was originally introduced. I am sure that it gives great promise.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ELLENDER. I wish to join the distinguished junior Senator from Vermont in the tribute he has paid to the distinguished senior Senator from Vermont. I have served on the Committee

on Agriculture and Forestry for 28 years. I know of the work the Senator from Vermont has done in attempting to have food stamp plans adopted.

If the junior Senator from Vermont will read the hearings, he will notice that a quite nice tribute was paid to his colleague by Secretary of Agriculture Freeman.

Mr. AIKEN. I thank my chairman. It has been a pleasure to serve under the distinguished Senator from Louisiana, who is chairman of the Committee on Agriculture and Forestry, since the first day I arrived in the Senate, going on 24 years.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. JAVITS. I, too, wish to identify myself with the remarks of my colleague from Vermont. I believe the Senator from Vermont, who has been concerned with this legislation since his introduction of the food allotment bill in 1943, in the 78th Congress has rendered a monumental, historic service in bringing the proposal to the point of practicality, making it extremely appealing and desirable. I believe the millions of Americans who will benefit from the act will be grateful to the senior Senator from Vermont, who so often has led many of us on this side of the aisle, as well as on the other side of the aisle, in support of legislation.

I believe that in devoting his enormous talents to this effort, the senior Senator from Vermont has earned the respect and regard of the entire Nation.

Mr. AIKEN. I thank the Senator from New York.

Mr. JOHNSTON. Mr. President, I commend the chairman of the committee [Mr. ELLENDER] and the senior Senator from Vermont [Mr. AIKEN]. They have worked faithfully on the bill. This is not a proposal that has been before the Committee on Agriculture and Forestry for a short time; we have been considering it for many years, and have finally agreed upon this bill.

This is a proposal that we want to try out. We do not say that it is perfect, by any means, but we believe it will work. We shall leave it to each State to decide whether it wishes to join in the program.

The program will include many people who are getting relief close to the borderline, and also lower income people. It will assist in keeping them from going from lower incomes onto the relief rolls. I believe the plan will be beneficial in many ways to the people of the United States, if only they are willing to give it a trial.

Mr. YOUNG of North Dakota. Mr. President, I commend the senior Senator from Vermont for having brought the proposed legislation so close to accomplishment. The Senator from Vermont is one of the most effective Members of the Senate. Usually it does not take him 20 years to get his proposals through Congress. He made a convert of me 19 years ago.

This is a far-reaching program. It will be one of the most effective, efficient, economic ways of bringing food to the poor people of the country. It will be a

great step forward. I am happy to join in congratulating him upon his real accomplishment.

Mr. AIKEN. I thank the Senator from North Dakota for his remarks and for his support of this program.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Mr. President, I first heard of the food stamp plan in the 1930's, when it was put into effect under the New Deal by order of President Franklin D. Roosevelt. That plan was the brilliant suggestion of Mr. Milo Perkins, who worked out the details and administered them in a most competent and efficient manner.

I was then an alderman from a ward in Chicago in which there was a great deal of poverty and unemployment. I saw the food stamp plan in operation. It effected a big improvement, both in the diet and in the morale of the people who were out of work. Previously, they had received surplus commodities which were restricted to cornmeal and certain vegetables. This program was not only restricted; it was humiliating, because the families and the children would have to go to relief stations, ask for the food, bring the food back in bags, and thus be exposed to the scorn of their neighbors.

I can testify that while the food stamp plan was in operation in the ward which I represented in Chicago, there was a vast improvement in the diet of the people and a great increase in their self-respect. Being paid in coupons, they could go into grocery stores and be indistinguishable from other patrons of the stores; they were not singled out as a parish class or a dependent class. One could almost see the improvement in their self-respect after the food stamp plan went into effect. It was almost like water being sprayed over an arid flower garden.

Incidentally, the plan helped the small grocers, because instead of the surplus commodities being distributed from a central distribution point, the grocers acted as distributing centers and received the normal markup on the commodities which they sold. The plan was good for everybody.

I regret that the opposition to the food stamp plan was so great that it was discontinued. Those opposed to Roosevelt and the New Deal had their way. It might well have been continued, although it is true that increased earnings and the decrease in unemployment during the war improved the diet of many people. From 1952 to 1960 we could make no headway because of the opposition of Secretary Ezra Taft Benson and the Eisenhower administration.

Since 1957, there has been a marked increase in unemployment. A great many people in this country are in physical distress. Mr. Michael Harrington estimates that the total number of people in poverty is about 40 million, which

would be, roughly, 21 or 22 percent of the population. That is a fairly conservative estimate.

In order to help the situation, surplus commodities were distributed once again, giving only badly balanced diets and causing humiliation to the recipients.

In late 1960, following his election, the late President Kennedy appointed me as Chairman of the Task Force on Depressed Areas, which was to make a report to him on actions which he should take to relieve economic distress. We made our recommendations just as he assumed office in January 1961. The first item which the Committee recommended was a liberalization and an expansion of the commodities distributed under the surplus food programs. President Kennedy signed that Executive order while returning from the inaugural ball. It was his first official act.

Our second recommendation was that the food stamp plan should be adopted on a trial and pilot basis in a number of communities and counties throughout the country. This recommendation was put into effect. Some 40 counties have been participating. One of the earliest, Franklin County in the coal mining section of southern Illinois, has a high unemployment rate and, unfortunately, a very high relief ratio. I have been in Franklin County several times during the 3 years since the plan was put into effect.

I have watched the distribution and handling of the coupons and the food. I have taken testimony from citizens, from bank executives, from grocery store owners, and others; and I can say that the program has worked extremely well. It has broadened the diet so that families on relief are now getting more milk, more meat, and more fruit and vegetables and are not being confined, as in the past, to cornmeal, lard, dried beans, and other similar foods of limited nutritional value. The coupon, as has been stated by the Senator from Louisiana, does not cover tobacco, liquors, soft drinks, chocolate, or other items which are not nutritious.

The Senator from Louisiana informs me that soft drinks are included in the present bill. I believe that this is a mistake. I am glad that hard drinks are excluded, as well as tobacco and other commodities which are either dangerous or of dubious value to health. I hope soft drinks may be excluded.

In recent months, I have visited the coal mining villages in Franklin County and I have found the general attitude and hopefulness of the people definitely better. Earlier, I had watched with horror the distribution of surplus commodities. I shall never forget an experience in one county. A wagon drove up loaded with surplus commodities. People suddenly came out of the woods and from behind buildings and swarmed like sparrows around the wagon to get the handouts of the articles. They did this with a hangdog expression on their faces because they were being publicly stigmatized as living on handouts.

I went into a nearby community after the food stamp plan had been in operation, and watched the womenfolk go into

the grocery stores with a proud and erect bearing and with self-respect.

I took testimony from the grocery store owners, and they naturally like the program because it increased their sales.

There was one bank in the county which objected, but other banks were glad to cooperate. I believe the margin that was given to them for cashing the checks was increased slightly. I found no real objection whatsoever from any group in the community.

I am happy to see this plan now extended. I only wish that it could be extended further and with a larger authorization than is provided in the bill before us.

I congratulate all the members of the Committee on Agriculture and Forestry, from both parties, for at last putting this program through. It is one of the most constructive steps that have been taken in a long time. I predict that with prudent management—and I believe that the Secretary of Agriculture will give it efficient and prudent management—the country will wholeheartedly approve of it.

Mr. SYMINGTON. Mr. President, I send to the desk an amendment on behalf of myself and my colleague, the Senator from Missouri [Mr. LONG], to H.R. 10222, and ask that it be stated.

The PRESIDING OFFICER (Mr. NELSON in the chair). The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add the following:

AUTHORIZATION FOR STUDY AND INVESTIGATION

SEC. 17. (a) The Secretary of Agriculture is authorized and directed to make a study and investigation of the desirability and feasibility of expanding the scope of the food stamp program provided for in this Act so as to include authority for the distribution of basic clothing and other necessary household goods, made in whole or in substantial part of domestic agricultural fibers, to members of economically needy households.

(b) The Secretary shall submit the results of such study and investigation to the Congress not later than 90 days after the date of enactment of this Act together with such recommendations for legislation as he deems appropriate.

Mr. SYMINGTON. Mr. President, I desire to make a brief statement with regard to this amendment.

My amendment would direct the Secretary of Agriculture to make a study of the desirability and feasibility of expanding the scope of the food stamp program so as to include authority for the distribution of basic clothing and other necessary household goods, made in whole or in substantial part of domestic agricultural fibers, to members of economically needy households. The Secretary would submit the results of his study to the Congress not later than 90 days after the date of enactment of this legislation, together with such recommendations for legislation as he deems appropriate.

Since May 1961, the food stamp program has been in operation in selected local areas throughout the country and is now operating on an experimental

basis in 22 States, covering some 372,000 persons. In that time, it has come to be recognized as an effective instrument to assure that needy Americans have an adequate diet.

In addition to providing a nutritionally adequate diet to a number of our citizens, this program offers a beneficial method of using the great agricultural abundance of this country, and thereby strengthens our agricultural economy.

With passage of the proposed legislation today, the Congress will make permanent the food stamp program. While I support this action, it is my opinion that we should not allow this opportunity to pass without authorizing a study of the possibility of expanding the program to include the distribution of basic clothing and other necessary household goods, made from domestic agricultural fibers. Certainly, a country as wealthy as ours can afford to assure its needy citizens not only an adequate diet, but also assure that they have basic clothing and other necessary household goods. Such a program, in addition to providing new relief for our underprivileged, would also absorb significant amounts of domestic agricultural fibers which are in surplus, thereby reducing the Government costs for storage, and subsidies for both domestic consumption and export purposes.

I hope that Senators will give careful consideration to this amendment which calls for a study of a possible new way to extend the food stamp program.

Mr. ELLENDER and Mr. CLARK addressed the Chair.

Mr. SYMINGTON. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I express the hope that my good friend the Senator from Missouri will not press his amendment.

The Senator served on the Committee on Agriculture and Forestry for quite a number of years and was a very valuable member of that committee. I was sorry, of course, when he left, but realized he could probably do more good for our country and the agricultural problems of his State through working hard on the wheat, feed-grain, and cotton surpluses as a member of the Committee on Foreign Relations. Because of his background it was my belief at the time that he could perform a better service for the country by moving from the Committee on Agriculture and Forestry to the Committee on Foreign Relations.

The Senator from Missouri knows the difficulties that we encounter on a committee when amendments are offered which are not exactly pertinent.

I give my assurance to the Senator from Missouri that if he will withdraw the amendment and introduce it in the form of a bill, the Committee on Agriculture and Forestry, of which I am the chairman, will give it consideration.

It is my hope to impress the Secretary of Agriculture with the fact that if this program is to continue in the future, it may be necessary to incorporate in it the very program to which the Senator is now addressing himself.

If the Senator will do that, I will ask the Secretary to make this study, and,

if it is necessary, assist in passage of a resolution directing him to do it. I assure my good friend that the matter will be submitted to the committee in the hope that if action by the committee is required, the committee will act favorably on it. Then when the bill comes back to us at the end of 3 years, we will be in a position to incorporate in it the items to which he refers.

Mr. SYMINGTON. Mr. President, I thank the able and distinguished senior Senator from Louisiana for his typically thoughtful and kind remarks. Actually, the chief reason I left the Committee on Agriculture was it became more and more clear to me that a great deal of the problems of agriculture could be combined into one problem really—the ultimate disposal of our surpluses. More and more we see agricultural problems incident to our relations with other countries.

For example, today, in my State of Missouri, probably the most acute problem in this field has to do with the importation of beef. That importation has risen 32,000 percent in the last 10 years from one country alone.

As the able and distinguished chairman knows, today in negotiations incident to the Trade Expansion Act in turn incident to the GATT negotiations in Geneva, as being conducted by our former Secretary of State, the Honorable Christian Herter, we are negotiating to maintain what is by far the largest agricultural market the United States has today; and a cash market.

In addition, Mr. President, it became, and still is my hope that inasmuch as our balance of payments, with the exception of 1 year in the last 15 years, has been an unfavorable one, we would determine to substitute our agricultural surpluses for dollars in the distribution of our foreign aid.

Mr. President, based on the assurances of the able and distinguished senior Senator from Louisiana [Mr. ELLENDER] that he feels this amendment is not pertinent to the present food and stamp bill, I would be glad to withdraw it at this time. This action on my part is especially reasonable because the chairman assures his distinguished committee will give the amendment full consideration. For that I am very grateful.

I congratulate my friend from Louisiana who, on agricultural problems, is one of the wisest Members of the Congress. I also congratulate the distinguished Senator from Vermont [Mr. AIKEN] for his constructive interest in this problem.

I might add, Mr. President, that for many years a great lady from the State of Missouri has made this her No. 1 project—Representative LEONOR SULLIVAN. I thank the distinguished senior Senator from Vermont for mentioning her name in approbation. She has worked hard toward the passage of this bill, so ably presented to the Senate by the distinguished Senator from Louisiana this afternoon.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. PASTORE. If the Senator from Missouri ever expects or intends to introduce a separate bill on this subject, the Senator from Rhode Island would be honored to be included as a cosponsor.

Mr. SYMINGTON. I appreciate that statement from my able friend, and his interest in the matter. He will of course be included as a cosponsor.

Mr. COOPER. Mr. President, I join my colleagues in commending the chairman of the Committee on Agriculture and Forestry, for his work on this bill. He is a man whom I respect as one of the most able committeemen with whom I have ever served. He is one of the best informed Senators on agriculture.

I congratulate also the acting minority leader [Mr. ARKEN], the ranking minority member upon the Senate Committee on Agriculture for his leadership in initiating the food stamp idea years ago, and for the constructive work he has done on the bill.

The bill is important to many people in my State. But it is not merely because it has importance to my State that I am interested in it. I am interested in it because I know my State is typical of many other States and sections of the country.

It is a paradox that in a country where the great majority of our people are prosperous—more prosperous than they have ever been—there are thousands who are out of work, and thousands who live on a bare subsistence.

In the past, I have supported measures to distribute surplus food to needy people. I remember that several years ago I urged the then Secretary of Agriculture, Mr. Ezra Taft Benson, to provide a better balance of food to those who needed food.

I have supported other measures to provide employment to the people of depressed areas. I am interested in this bill. But I know that a bill of this type has capabilities for abuse. And when abuse occurs, it is not only bad for those who deservedly receive help, but it destroys the confidence of the people and their support of programs of this type.

I know that no bill can be drawn that will prohibit or prevent every abuse. But it is important that every effort be made to prevent abuses.

I would like to ask several questions to make clear the legislative intent that the program is intended to benefit the needy, and to be administered by the States.

Is it correct that the administration of this bill would be left to a State agency of the participating State? That is written into the bill.

Mr. ELLENDER. That is correct.

Mr. COOPER. But it is provided also that administration may be delegated by the State. I think it ought to be made clear that, however implemented, it is intended that the responsibility for the administration of this bill remains in the State government.

I believe that the responsibility may be diluted; and it will be more difficult to establish strict criteria if left wholly to local subdivisions. I should like to know if it is the interpretation of the chairman that the responsibility for the

administration of the bill will rest with the appropriate agency of the State.

Mr. ELLENDER. Yes. As I stated earlier in the debate, merely as a deterrent, we have provided that if there is any fraud practiced—for example, if any of the coupons are used in a manner contrary to the law—the State will be responsible. We put the burden on the State to see to it that the coupons are made available to the people who are entitled to those coupons as defined in the bill.

Mr. COOPER. That is the point in which I am interested. I want everyone who is entitled and in need under the terms of the bill to receive help. But there has been criticism in my own State, and I am sure in other States, that people who do not need help, even with respect to surplus commodities, secure assistance. When this happens, the whole program is discredited.

Is it not correct that under the bill the State must submit to the Department of Agriculture its plan for the administration of the bill, including the criteria by which it will determine the families that will be eligible to obtain assistance under the food-stamp bill?

Mr. ELLENDER. The Senator is correct. When the plan is submitted, it may be submitted for one, two, or three areas within a State, and not the entire State. Wherever the plan is workable and people are entitled to the assistance, these plans are submitted by the State under regulations that are outlined in the bill, and afterward submitted to the Secretary of Agriculture for his study and, of course, his final approval.

Mr. COOPER. I have received some letters from owners of stores in my State who have complained because they were not designated or approved as stores under the pilot plan that is in operation in Kentucky. I do not know whether the complaints are justified. But is it correct that under this bill a method of review—including judicial review—is provided for storeowners who claim they have been improperly denied approval as participants in the food-stamp plan?

Mr. ELLENDER. There is a method that the storekeepers must follow before they obtain approval. After they receive the approval of the Secretary of Agriculture, they are bound to obey the rules and regulations pertaining to the retailing of the goods. Unless a storekeeper should follow the rules and regulations strictly, he would be subject to punishment like anyone else participating in the administration of the program.

Mr. COOPER. If a retail store or a wholesale food store should claim that it had been wrongfully denied approval, a procedure is provided in the bill for review, even extending to the courts. Is that correct?

Mr. ELLENDER. Yes.

Mr. COOPER. I should like to ask another question. The Senator has covered the point, but in order to make the RECORD clear, I point out that many believe, and I am one, that to insure the establishment of proper criteria with respect to the beneficiaries and also to assure the proper administration of the bill, a State should be required to con-

tribute a certain percentage of the cost, however small? What is the Senator's view on this proposal?

Mr. ELLENDER. The State would assume all of the cost of administering the program on the State level, including auditing, taking care of the coupons, and seeing to it that those entitled to the coupons received them. If a recipient were not under the welfare program of the State at the time, but was a resident of another State in the area and entitled to coupons because his income is equal to or below that stated for the welfare group, in that instance, and in that instance alone, does the Federal Government provide part payment on the administrative features of the bill?

But as to all those in the welfare program the State assumes complete control of the administration, subject, of course, to the supervision of the Federal Government. The State must assume all costs of distributing the stamps, keeping an account of them, and also being certain that the stamps or coupons are made available to those who are entitled to them under the law.

I wish again to emphasize to my good friend that in the event of fraud, the State, through the agency of the State that administers the program, would be responsible for any stamp fraudulently made available to any recipient in the State.

Mr. COOPER. The chairman of the committee has always insisted that Governmental programs be operated properly, efficiently, and economically. Will there be opportunity for this program to be reviewed by the Committee on Agriculture of which he is chairman?

Mr. ELLENDER. There is no provision in the bill for that purpose. Every year the Congress will appropriate the money necessary in order to carry on the program. An opportunity will be given at that time to review the program. For example, for the year 1965 an appropriation of \$75 million would be made. When the Secretary came in for an appropriation for the second year, that is, for 1966, there would be time to review what had been done with the \$75 million previously appropriated.

I believe that through that method we can keep pretty close tab on what has been done under the program.

Mr. COOPER. I should like to address another question to the chairman—

Mr. ELLENDER. A while ago the Senator asked about the right of the storekeeper to appeal. At page 15 of the bill, beginning at line 9, the Senator will find the following language:

If the store or concern feels aggrieved by such final determination he may obtain judicial review thereof by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business, or in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination.

I knew that the language was there, but I could not put my finger on it at the time the Senator asked me for it.

Mr. COOPER. I wished to bring it out, because I knew it was in the bill.

I desire to address another question to the Senator. The Senator may remember that in the public welfare amendments of 1962, with respect to the dependent children's program, an amendment was adopted which was described as the community work and training program. The amendment provided that the State could, if it desired, require able-bodied men receiving assistance under the dependent children's program to work for a time comparable in value to the amount that one would receive under that program. Would the Senator consider the adoption of a similar amendment to this program, to provide that a State, if it so desires, may require that an able-bodied person who receives food under this bill, above the cost paid by him, shall perform work of a public nature comparable in value to the goods received? Would he not consider such an amendment to be of value? I believe it would be beneficial to the morale of the people who receive this help, and, have effect in assuring that only those who really meet the standards or criteria shall receive this aid? Does the Senator think it would be an effective amendment and be of value?

Mr. ELLENDER. The committee gave consideration to such a provision. We felt that, since the administration of the program was in the hands of the States, the State laws should apply. During the course of the hearings I learned that the State of Kentucky requires, under similar laws, that before any welfare program benefit is made available to a household, if there is a job available, the job is to be offered to the head of the household. If he refuses to work, he receives no aid.

Since this program is to be administered by the States, I believe it might be well to leave that matter entirely in the hands of the States, and let the States make the determination, under rules and regulations, as outlined in the bill, as to who shall and who shall not be entitled to relief.

Mr. COOPER. The State of Kentucky, in adopting the program the Senator has described, did so under the amendment which was adopted to the aid to dependent children program. I believe it was, because the Congress wrote into that act a provision that the States could require such work of comparable value that gave the State of Kentucky the initiative to adopt such a requirement. I think it has had a good effect. People have been put to work in cleaning up communities, and doing other valuable work. It has aided the morale of the people who receive the aid, and has also given confidence in the program.

I have such an amendment. I wonder if the Senator from Louisiana would take it to conference, so it could be discussed there, and I hope adopted?

Mr. ELLENDER. We discussed the question to some extent during the hearings. Witnesses appeared from the Senator's State.

It is my belief that since the States are the ones that more or less administer

this program, and will make the decisions as to who are eligible to receive this aid, we should rely on State laws, rather than impose that provision on all the States.

While I have not looked into the problem too thoroughly, I am of the impression that most of the States have laws such as the one on the statute books of the State of Kentucky, under which, if a person asks for relief, and does not have a job, if he does not take a job when it is offered to him he does not get relief.

I think it is something that should be taken care of by the States. I do not think the Government should give aid to anyone who refuses to work when he is offered a job. However, since practically all of the States have such laws, I think it might be best to leave it to the States.

As this program develops under the law as presently written, we could learn which States have such laws and which States have not, and how the program works in the States that have such laws. Then, in the future, there could be a provision offered to cover the situation the Senator is discussing.

I believe it might not be in order at the moment to impose such a law on all the States. Let us see how the program works. As the program develops, there will be ample time for proposals in keeping with what the Senator is suggesting.

Mr. COOPER. The amendment I suggest would not be mandatory on all the States. It would provide that States could impose a requirement of work.

Mr. ELLENDER. The States can do it now. Kentucky does it.

Mr. COOPER. But Kentucky was given the initiative to do it as a result of the provision in the Aid to Dependent Children Act.

Mr. ELLENDER. The mere fact that a State had the incentive to do it would not necessarily mean that it would adopt such a law.

I believe that as time goes on we shall see that, since the program is to be administered by the States, they will be very careful as to who will receive aid. The bill defines who shall receive aid. It is the responsibility of the States to determine who shall receive the benefits of the program.

In all the welfare programs the States decide who shall receive the aid, and what amount of income shall determine whether a recipient gets the benefits of the welfare programs.

Since most of the States that have such programs now have on the statute books sufficient laws to take care of the situation the Senator is discussing now, I think his suggestion is unnecessary. Personally, I would prefer that we proceed with the program as we have it for some time; and if occasion presents itself, a provision can be proposed to carry out what the Senator is speaking of. There will be plenty of time to do that.

Mr. COOPER. In asking these questions, I have not done so from any distrust of the people of the United States, or the States in the implementation of the program. I have voted for measures to provide relief for people who are really

in need. I have had opportunity to work with the distinguished Senator from Illinois [Mr. Douglas]. I appreciate the fact that he originally recommended the pilot program. However, I am extremely anxious that the benefits of the program shall go to the people who actually need it, and that it will not be used for those who do not need it. When that happens it brings discredit upon the whole program and produces a lack of confidence in the program on the part of the people.

I hope the interpretation and explanation of the safeguards in the bill, which the distinguished chairman has given this afternoon, will be impressed upon those who administer this program.

I shall offer the amendment. I know the Senator is opposed to it. I offer it to express a view that I hold, that this program and other similar programs should require comparable work of able-bodied beneficiaries. It will raise the morale of those who receive the benefit of these programs; that it would be helpful in assuring a better administration of the program, and save money.

Mr. President, I offer the amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, after line 23, it is proposed to insert a new section, as follows:

COMMUNITY WORK AND TRAINING PROGRAMS

Sec. 16. For the purpose of assisting the States in encouraging, through community work and training programs of a constructive nature, the conservation of work skills and the development of new skills for unemployed individuals who are the head of a household receiving a coupon allotment under this Act, a State plan approved under section 10(e) of this Act may require as a condition of eligibility for receiving such coupon allotment in any month that such head of a household, if able bodied, be required to perform work for all or a portion of the value of the coupon allotment in excess of the amount charged such household, if such work is performed for the State agency or any other public agency under a program administered by or under the supervision of such State agency, and if such State plan includes provisions consistent with the provisions of paragraphs (1) through (5) of subsection (a) of section 409 of the Social Security Act, as amended.

On page 19, line 2, strike out "Sec. 16" and insert in lieu thereof "Sec. 17".

Mr. COOPER. Mr. President, I have explained the amendment. A State, in the submission of its plan, could provide as one of its requirements, that those who receive assistance under the program, who are not employed, and who are able bodied, may be required to work a comparable time in terms of wages at the prevailing wages for the value of the food received.

As I have said, it would contribute to the morale of those who work. It would give greater confidence in the program as a whole. It would hold down the cost of the program, because it would have a tendency to make States stricter in setting the criteria to be applied. It would be a wholesome thing to do.

Mr. ELLENDER. Mr. President, I have expressed my opposition to the amendment, and I have given my rea-

sons for the opposition. I hope the amendment will not be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was rejected.

Mr. BOGGS. Mr. President, I have an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. BOGGS. Mr. President, I ask unanimous consent that the amendment be not read, but printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 5 of H.R. 10222, under "Eligible Households", strike out all of section 5 and substitute:

"SEC. 5. (a) Households eligible to participate in the food stamp program shall be those which now qualify or later qualify for Federal-State or State public assistance programs.

"(b) Each State may also establish standards to determine the eligibility of additional applicant households, such standards to include maximum income limitations consistent with the income standards used by the State agency in administration of its federally assisted public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. Any State requesting participation in the food stamp program under this subsection shall be required, from funds available to the State or political subdivision thereof, to make reimbursement payments to the United States in an amount equal to 10 per centum of the value of those coupons issued to such additional applicant households within the State which is in excess of the value of coupons for which such households are charged. Such reimbursement payments shall be deposited into and made a part of the separate account created in section 7(d) of this Act.

"(c) The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary."

Mr. BOGGS. Mr. President, I offered the amendment in committee to provide for 25 percent State participation in the cost of so-called bonus food stamps to persons not on public assistance. I have reduced the amount to 10 percent. The amendment would make more definite the application of the food stamp proposal now before the Senate. In my opinion, it would make more effective the administration of the proposal.

I do not intend by the amendment to restrict or limit the application of the plan, but I believe the application should be more definite.

For example, as the bill is before us, section 5(a), on page 6, provides:

Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

My proposal would provide, in lieu thereof:

Households eligible to participate in the food stamp program shall be those which

now qualify or later qualify for Federal-State or State public assistance programs.

It seems to me that the language contained in section 5(a) of the bill makes a definite approach uncertain, except as limited by the following section, section (b).

Paragraph (b) of my proposal, however, provides that each State, in addition to setting forth the criteria of eligibility of those who are not presently qualified or who would be qualified to be on public or general assistance, would have to pay 10 percent of the cost of the coupons which is in excess of the value of coupons for which these households are charged. This would enable the States to participate in the cost of this portion of the program. In my judgment, the bill as it now is contains a large gray area. I do not know exactly where the limitation would be on those to be covered who are not on public assistance.

The appropriation for fiscal year 1965 is limited to \$75 million. That is nowhere near the \$360 million estimated for 1 year's cost, if the program were applied generally throughout the United States with its present wide coverage. My amendment would also provide more effective administration.

If a State is not participating financially in the program in some way or other, I can certainly see why Governors, State legislators, community and civic leaders, and others will not have too much interest in it. They will be interested, of course, but they will not have the incentive and interest they would have if the State were appropriating money to be used in the program. The cost of the stamps, under the program now provided in the bill, would be carried 100 percent by the Federal Government.

Let me make one distinction. In all except one of the programs to which I refer in paragraph (a), both the State and Federal Governments now participate. I refer to the programs for old age assistance, medical assistance for the aged, aid to families with dependent children, aid to the blind, and aid to the permanently and totally disabled. The only other category would be that of general assistance, which is taken care of totally by State and local communities. So the additional people who would be covered for nutritional aid, so to speak, would receive coupons provided entirely by the Federal Government and the State's only participation would be a share of the cost of administration.

My amendment would provide for State participation to the extent of 10 percent of these coupons. I believe it would make for more effective administration and assure a more bona fide overall operation.

It has been a privilege and a pleasure to serve on the committee under the chairmanship of the able Senator from Louisiana [Mr. ELLENDER]. I congratulate both him and the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking Republican member of the committee, who advocated this program for many years. I sincerely believe that, improved and tightened by my amendment, the bill would provide

a more effective, and more dignified program than the present bulk food distribution program which is being carried on.

Mr. ELLENDER. Mr. President, this amendment was discussed fully before the committee, and the committee rejected it almost unanimously. I hope the Senate will likewise reject it.

First, let me point out that in order to obtain bonus coupons, the recipient must put up in cash what he normally might be spending for food. In cases cited us, the recipients, on the average put up 60 percent of the total value of coupons received. Therefore, it cannot be said that the recipient does not participate in the total food cost.

Second, if we are going to require States, in the case of nonwelfare cases to put up an additional 10 percent the result will be to discriminate against the many low-income households not able to qualify for welfare assistance for one reason or another. I would expect that most, if not all of the States, would exclude these needy persons from the program. However, the fact that they were excluded would not make them less hungry or undernourished.

Third, the adoption of this amendment would severely limit the program, would create inequities, and would not permit, in many cases, the judicial and efficient operation of the food stamp plan.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was rejected.

Mr. DOUGLAS. Mr. President, I am somewhat distressed at the change in the language at the bottom of page 2 and the top of page 3 in the House bill. Soft drinks were originally excluded from the operation of the food stamp plan. In the revised committee draft, as I understand it, soft drinks are now included, and food stamps can be used for the purchase of soft drinks. Is my understanding correct?

Mr. ELLENDER. The language of the House bill was stricken. One of the reasons was that under the definition of "soft drinks," milk drinks would be excluded. Certainly, we would not want to do that. Further, many soft drinks are used in hospitals and for other medical purposes. These same drinks are used in homes for convalescents and other sickly persons. I am sure that hungry persons will not spend much money for these items unless needed.

Mr. DOUGLAS. I do not want to include Coca-Cola or Pepsi-Cola or any of that family. I like them myself, but I do not believe they should be permitted to be substitutes for milk. They are not valuable for the diet. They can be a waste of money especially for young people. Personally, I think it is a great mistake to include them. Milk, of course, would be included; chocolate would be included; chocolate milk would be included.

I should like to include carbonated soft drinks—and I am willing to make the definition "carbonated"—among the items for which food stamps cannot be given. I move to include carbonated

soft drinks among the items for which food stamps may not be issued.

Mr. ELLENDER. Mr. President, I hope the Senate will reject the amendment. The House bill included an amendment which would exclude drinks such as orange juice and milk drinks. I believe it should be left to the people who have the stamps to decide what they wish to buy. We have excluded alcohol and tobacco; I think we have gone far enough.

Mr. DOUGLAS. Mr. President, I should like to speak concerning the proposal. My suggestion is that the item which is included be not merely soft drinks, but carbonated soft drinks. That would exclude Coca-Cola, Pepsi-Cola, Dr. Pepper, and all the varieties of the family of cola drinks. If we include them, this will be used as propaganda against an otherwise splendid and much needed measure. I want to help the poor and hungry and not sacrifice them for Coca-Cola. The Senator knows that these have no nutritional value—none at all. They are poor alternatives for milk or chocolate milk. Actually, they are bad for kids, rather than good for them.

I hesitate to use such language, but the only benefit I can see in the present language is that it will increase the sales of the Coca-Cola and other cola and soft drink companies.

The PRESIDING OFFICER (Mr. McIntyre in the chair). The question is on agreeing to the motion of the Senator from Illinois.

The nays appear to have it.

Mr. PASTORE. Mr. President, I call for a division.

The PRESIDING OFFICER. A division is called for.

On a division, the amendment was rejected.

Mr. PASTORE. Mr. President, I wish the Record to show that I voted for it.

Mr. MANSFIELD. Mr. President, I wonder whether I could get some idea of how much more time will be spent on this food stamp bill, because we have an important conference report which will have to be brought up very shortly.

Mr. ELLENDER. So far as I am concerned, I am finished. I have no further amendments.

Mr. HART. Mr. President, I realize that the Senate has spent much time on this bill, but there is overwhelming support for it, and I shall delay final action only a few moments. However, I do wish to express to the chairman of the Committee on Agriculture and Forestry, on which I have had the privilege to serve for 4 years, the satisfaction of the metropolitan Detroit area and its people with the pilot program which operated there beginning in early 1961.

The contributions made to that program by individual retail establishments in Detroit was an important plus. The Food Industry Committee of Detroit for some years had advocated just such action. Certainly, as we hear those at home criticizing us for evidencing concern for people overseas—a course of action which I heartily support—it should come as some comfort to realize that we do indeed respond prudently to need at home.

This is a prudent, effective program. I, too, wish that carbonated beverages had been excluded from the bill but on balance it is overwhelmingly plus.

Again, I salute the chairman of the committee for the leadership which he has given over these several years on that committee.

FOOD STAMPS INCREASE BEEF CONSUMPTION, IMPROVE HEALTH AND ASSIST FARMERS

Mr. McGOVERN. Mr. President, one aspect of the food stamp bill which has been of great interest to me is the increases in consumption of domestic food products which it brings about.

Studies have shown that families receiving food stamps in Detroit and other areas increased their meat consumption at least one pound per person per week. In Detroit, 55 percent of the increase in meat consumption consisted of beef or a little more than one-half pound of beef per person per week. The administrators feel sure that this experience will continue nationally.

I have worked out what this bill means in terms of beef consumption, based on this experience.

In the first year of the new authorization it will amount to 21.5 million pounds of beef; in the second year, 28.6 million pounds of beef, and in the third year 57.8 million pounds.

The Department of Agriculture estimates that ultimately 4 million persons will be in the program. At that time, increased beef consumption as a result of this program would run about 115 million pounds annually.

The significance of this considerable increase in beef consumption, Mr. President, can be appreciated when it is compared to the 1963 increase in beef imports over 1962. The USDA report shows that our beef imports, including dressed meat and the meat equivalent of live cattle imported, increased 134 million pounds in 1963. The food stamp plan will offset 90 percent of such an increase.

The food stamp bill not only means more adequate diets for our poorer citizens, Mr. President, it also means expanded markets. It means a healthier citizenry and a healthier economy.

I would like to invite all those who are concerned about beef prices—and I continue to be concerned although prices are up some just now—to join in support of this bill. There are record numbers of feeder cattle in feedlots which will start coming to market this fall. Large supplies could again depress markets unless those markets have been expanded, as the food stamp plan would help to expand them.

There are other products which will enjoy improved markets under the food stamp program. I have used beef as an illustration because we have heard so much of the beef problems recently.

Producers of cereals and dairy products as well as fruits and vegetables will benefit from the increased markets it generates, reducing our surpluses.

And it will increase America's prestige throughout the world as a nation, with a democratic system of government under which all citizens are assured freedom from want for the essentials of life.

Each of us will stand a little taller for voting to provide our less fortunate fellow citizens the foodstuffs they need, while at the same time strengthening the incomes of our farm producers and retail grocers. As former director of our food for peace program, I came to a keen appreciation of what American food means to hungry people around the world. I know that we want to make certain that our own citizens have adequate diets.

Mr. HUMPHREY. Mr. President, ever since coming to the Senate I have sponsored and supported a food stamp program. In 1959 I led the floor fight that resulted in the authority for such a program on a pilot basis. This authority, though not used at that time, was the result of an amendment to the act extending Public Law 480.

At the request of the late President Kennedy in his economic message of February 2, 1961, a pilot food stamp program was inaugurated by the Department of Agriculture. The first project began in West Virginia in May of that year. Since that time additional pilot projects have been added in order to get a full and complete trial of the food stamp program. At the present time it is operating in 43 counties and cities in 22 States with about 380,000 persons participating.

On the basis of these extensive tests—in widely different types of urban and rural communities and for a period of over 2 years—the program has proved eminently successful. Building on the experience of the previous food stamp plan operated from 1939 to 1943, and with the best advice and council of all segments affected by the program, it was designated to expand farm markets and to make our food abundance available to many of our people who needed it, in a dignified manner through normal commercial channels.

The operation of the program is quite simple. Individual families are certified by the public welfare authorities on the basis of their need. Both those families receiving public assistance as well as other low-income groups not receiving any other form of public assistance are eligible. The eligible families buy the food coupons. The price they pay is approximately what they would normally spend for food out of whatever income they have from whatever source. When the families have little or no income they make only token payments or receive their coupons free. In return for the coupons they receive food worth considerably more than they pay. On an average, across the Nation, the participants have been paying a little over \$6 for every \$10 worth of coupons they receive. They may then take these coupons to any grocery store and purchase any food for human consumption except alcoholic beverages, tobacco, and imported foods.

The grocer, in turn, deposits his coupons with his bank just as he does his other cash receipts. The banks, in turn, redeem the coupons through the Federal Reserve System just as they do their other paper. The Federal Reserve banks are reimbursed out of the moneys col-

lected from recipients and Department of Agriculture funds.

This program has been an unqualified success. It has presented no real administrative problems. Violations of the program have been less than one-half of 1 percent of the 14,000 grocers participating. The benefits have been many.

BENEFITS TO AGRICULTURE

Agriculture benefits directly from the expanding markets, particularly since increased food consumption under the program has proved to be concentrated in livestock products and fruits and vegetables. While the coupons are not earmarked for specific surplus foods, the movement of price supported commodities under the stamp plan has been greater than under direct distribution. In Detroit, for instance, utilization of grains was increased by 24 percent, including indirect usage through larger use of livestock products. The program has increased the sale of foods providing a larger return to the farmer. In Detroit—where the costs of direct distribution and later the food stamp program were roughly comparable—the return to the farmer from the purchased food and donated commodities used by eligible persons under direct distribution was \$1.75 per person per week. This same group of people, after inauguration of the food stamp program—including participants and nonparticipants—purchased food yielding \$2.01 per person per week to the farmer.

BENEFITS TO PARTICIPANTS

Participants are able to obtain food assistance in a much more dignified manner—actually buying the privilege. They have substantially increased their food consumption, with more than 80 percent of this increase in livestock products and fruits and vegetables. Almost twice the number of families were able to achieve nutritionally adequate diets after the program went into effect.

BENEFITS TO THE COMMUNITY

Retail food store sales have increased an average of 8 percent in the pilot areas. The additional dollars moving into the community act as a stimulant to the overall economy of the area. Thus, rather than the Federal Government competing with commercial food sales—as it does to some extent under the direct distribution program—food sales and the economy of the project areas are benefited under the food stamp program at about the same cost to the Federal Government.

The pilot operations have been conducted under the general authorities and with funds available under section 32. This experiment has run long enough to demonstrate the validity and effectiveness of the program. Legislation to provide specific authority for a food stamp program and to make possible its gradual expansion to other areas of the country in need of such a program was introduced at President Kennedy's request in the 1st session of the 88th Congress. President Johnson again called for the enactment of this legislation to extend and expand the food stamp program in his state of the Union message and again in his farm message.

The legislation before us would accomplish this end. This bill embodies many refining and strengthening amendments in the bill originally introduced in the Congress last year and these amendments have been agreed to by the administration. The language of the bill, for example, makes its abundantly clear that participating grocers will not be arbitrarily suspended or disqualified for alleged violations; that "due process" principles will be observed, and that grocers will have access to both State and U.S. district courts if they want judicial review of the Department's administrative action. Also, the bill specifically states that no authority is granted to the Secretary of Agriculture to control prices in participating retail or wholesale stores. "This is a fine bill. It is a workable bill. It is a bill that proposes nothing new. It provides for the same type of program and the same administrative requirements as the pilot food stamp program which has been time tested and proven effective."

I urge its passage by the Senate.

Mr. MILLER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In the committee amendment, on page 3, at the beginning of line 5, it is proposed to strike out "which are identified as being from foreign sources when they arrive at the retail food store" and insert "which are imported".

Mr. ELLENDER. Mr. President, I wish to advise my good friend the Senator from Iowa that I will gladly take his amendment to conference. We have changed the definition that is in the whole section. I know that there will be much work to do in conference with the House. Therefore, I agree to take it to conference.

Mr. MILLER. I very much appreciate the statement of the Senator from Louisiana.

The only purpose of my amendment is to tie in with the very first line in the preamble of the bill, which is to strengthen the agricultural economy and to reflect what the committee intends according to the colloquy we had earlier this afternoon.

Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. PASTORE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read: "An Act to strengthen the agricultural

economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes."

Mr. ELLENDER. Mr. President, I move that the Senate insist upon its amendments and request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate on the food stamp bill just passed.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

ONE-YEAR EXTENSION OF CERTAIN EXCISE-TAX RATES—CONFERENCE REPORT

Mr. SMATHERS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11376) to provide a 1-year extension of certain excise-tax rates. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 29, 1964, p. 14752, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SMATHERS. Mr. President, first, let me state that the Senate conferees went to a conference with the House conferees under some disadvantages. Under the procedures of the House it was necessary that we enter into some kind of agreement before midnight last night; otherwise, the conference report could not be considered today and certain excise taxes on liquor, beer, tobacco, and wine would have expired. They will expire at midnight tonight unless this report is accepted and the President signs the bill before that time. The cost to the Government if this bill is not passed will be some \$1.9 billion.

The House had to file its report before midnight last night in order that it might vote on the conference report today. Completion of the House action was necessary so that the Senate, too, might vote on the report today and complete action before midnight tonight.

The Senator from Virginia [Mr. BYRD], chairman of the Finance Committee, the Senator from Louisiana [Mr. LONG], the Senator from Delaware [Mr. WILLIAMS], the Senator from Kansas [Mr. CARLSON], and myself were the conferees on the part of the Senate.

We all endeavored to get the House to agree to the position which the Senate had adopted. However, we found that the House conferees were adamant

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17. ADJOURNMENT. Adjourned until Mon., July 6 (p. 15336). Both Houses agreed that upon adjournment July 2, the House would be in recess until July 20, and that upon adjournment July 10, the Senate would be in recess until July 20. pp. 15304, 15366, 15379

HOUSE

18. WATERSHEDS. The Public Works Committee approved watershed projects for Hiawasse River, Ga.; Muddy Creek, Kan.; Presque Isle Stream, Maine; and West Fork Duck Creek, Ohio. p. 15337
19. CIVIL RIGHTS. By a vote of 289 to 126, agreed to Senate amendments to H. R. 7152, the civil rights bill (pp. 15337-65). Later in the day this bill was approved by the President. Approved July 2, 1964 (Public Law 88-352).
20. FOOD STAMPS. Rep. Cooley asked consideration of H. R. 10222, the food stamp bill, but Rep. Williams objected. p. 15373
21. AUTOMATION. The Education and Labor Committee was given until midnight July 9 to file a report on H. R. 11611, to establish a National Commission on Technology, Automation, and Economic Progress. pp. 15373, 15375
22. CONTAINERS. The Interstate and Foreign Commerce Committee was given until midnight July 11 to file a report on H. R. 5673, to prohibit the introduction into interstate commerce of any shipping container manufactured in the U. S. from imported steel unless the container is marked so as to indicate the country of origin. p. 15379
23. FARM PRICES. Rep. Berry criticized this Department for the drop in farm prices, stating that the parity ratio "fell to a 25-year low" last month. p. 15408
24. AREA REDEVELOPMENT. Rep. Talcott urged Congress to investigate ARA techniques and criticized the power of the Secretary of Commerce in "designating areas for eligibility." p. 15409
25. FARM LABOR. Rep. Talcott stated that experiments to replace Mexican farm labor in Calif. are not working well and cited specific cases. p. 15409
26. OPINION POLL. Rep. Foreman inserted the results of an opinion poll including various items of interest to this Department. p. 15413-14
27. POVERTY. Rep. Ashbrook criticized the proposed Economic Opportunity Act and inserted two articles discussing its provisions and urging more study on the program. pp. 15414-15
28. APPALACHIA. Reps. Cramer and Schwengel criticized the proposed Appalachian Regional Development Act. pp. 15426-8, 15443-4
29. WILDERNESS. The Interior and Insular Affairs Committee reported with amendment H. R. 9070, to establish a National Wilderness Preservation System (H. Rept. 1538). p. 15447

30. ELECTRIFICATION. The Interstate and Foreign Commerce Committee reported with amendment H. R. 9752, to preserve the jurisdiction of the Congress over construction of hydroelectric projects on the Colorado River (H. Rept. 1544). p. 15447
31. MINERALS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 8960, with amendment, to promote the development of coal on the public domain. p. D548
32. BUDGET; ECONOMICS. Rep. Curtis inserted his letter to Dr. Walter Heller, Chairman of the Council of Economic Advisers, asking questions about the "administration's assertion that its fiscal program would provide a greater net fiscal stimulus to the economy this year" and Dr. Heller's reply. pp. 15386-8
33. LEGISLATIVE PROGRAM. Rep. Halleck announced that on Tues., July 21, the Consent and Private Calendars will be read and that several bills will be considered under suspension of the rules, including H. R. 11438, the Alaska relief bill; H. R. 11441, safety standards for Federal vehicles; and H. R. 11611, to establish a National Commission on Technology, Automation, and Economic Progress; and that during the balance of the week H. R. 3846, to establish a land and water conservation fund, will be considered. p. 15379
34. ADJOURNED until July 20 (see item 17).

ITEMS IN APPENDIX

35. PESTICIDES; FISH. Rep. Broyhill (Va.) inserted a statement given at a public hearing conducted by this Department on the Mississippi River fish kill. pp. A3649-51
36. COTTON; SUBSIDIES. Extension of remarks of Rep. Conte inserting a list of those companies receiving subsidy payments under the 1963-64 cotton equalization program. pp. A3654-7
37. POVERTY. Rep. Wilson inserted article, "Handouts Not the Answer--Won't Cure Poverty." p. A3664
Rep. Fraser inserted a summary of the poverty bill. pp. A3703-4
38. TAXATION. Extension of remarks of Rep. Brock stating that the recent tax bill reduced income rates, but lowered the withholding rate and that, therefore, sufficient taxes are not now being withheld. p. A3664
39. BUDGET. Rep. Wilson inserted an article, "Checking on L. B. J's 'Frugality', criticizing the President's budget. p. A3668
40. WHEAT; FOREIGN TRADE. Reps. Lipscomb and Wilson inserted articles opposing the resale by Russia of wheat shipped to them by the United States. pp. A3668-9, A3672
41. ELECTRIFICATION. Extension of remarks of Rep. Hansen inserting statements by public power groups in favor of the Pacific Northwest-Pacific Southwest intertie. pp. A3692-4
42. APPALACHIA. Rep. Sickles inserted his statement supporting the proposed Appalachian program. pp. A3696-7

Page 2, line 12, strike out "1962" and insert "1963".

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WILLIAMS. Mr. Speaker, I object.

FOOD STAMP PROGRAM

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. WILLIAMS. Mr. Speaker, I object.

COMMITTEE ON EDUCATION AND LABOR

Mr. ROOSEVELT. Mr. Speaker, on behalf of the gentleman from Pennsylvania [Mr. HOLLAND], I ask unanimous consent that the Committee on Education and Labor have until midnight July 9 to file a report on the bill H.R. 11611, a matter which has been cleared with the gentleman from Indiana [Mr. BRUCE], who is the ranking member of the subcommittee.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. WILLIAMS. Mr. Speaker, I object.

WATER RESOURCES RESEARCH CENTER

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill S. 2 (to establish water resources research centers at land-grant colleges and State universities, to stimulate water research at other colleges, universities, and centers of competence, and to promote a more adequate national program of water research, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 30, 1964.)

The SPEAKER. Without objection, the conference report is agreed to.

Mr. WILLIAMS. Mr. Speaker, I object.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the "ayes" appeared to have it.

Mr. WILLIAMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 347, nays 0, not voting 85, as follows:

[Roll No. 182]

YEAS—347

Abele	Derwinski	Hull
Abernethy	Devine	Hutchinson
Adair	Dingell	Ichord
Addabbo	Dole	Jarman
Albert	Dorn	Jennings
Andrews, Ala.	Dowdy	Joelson
Andrews,	Downing	Johansen
N. Dak.	Dulski	Johnson, Calif.
Ashbrook	Duncan	Johnson, Pa.
Aspinall	Dwyer	Jonas
Ayres	Edmondson	Jones, Ala.
Baldwin	Edwards	Karsten
Baring	Elliott	Kastenmeier
Barry	Ellsworth	Keith
Bates	Fallon	Keogh
Battin	Farbstein	Kilgore
Beckworth	Fascell	King, Calif.
Beermann	Felghan	King, N.Y.
Bell	Findley	Kluczyński
Bennett, Fla.	Fisher	Knox
Betts	Flood	Kornegay
Blatnik	Flynt	Kunkel
Boggs	Fogarty	Kyl
Boland	Ford	Laird
Bolton,	Foreman	Landrum
Frances P.	Forrester	Langen
Bolton,	Fountain	Latta
Oliver P.	Fraser	Leggett
Bonner	Friedel	Lennon
Bow	Fulton, Pa.	Libonati
Brademas	Fulton, Tenn.	Lindsay
Bray	Fuqua	Lipscomb
Brock	Gallagher	Long, La.
Bromwell	Garmatz	McClary
Brooks	Gary	McCulloch
Broomfield	Glaimo	McDade
Brotzman	Gibbons	McDowell
Brown, Calif.	Gilbert	McFall
Brown, Ohio	Gill	McIntire
Broyhill, N.C.	Glenn	McLoskey
Broyhill, Va.	Gonzalez	McMillan
Bruce	Goodell	Madden
Burke	Goodling	Mahon
Burkhalter	Grabowski	Marsh
Burleson	Grant	Martin, Calif.
Burton, Calif.	Gray	Martin, Mass.
Burton, Utah	Green, Oreg.	Mathias
Byrne, Pa.	Green, Pa.	Matsunaga
Byrnes, Wis.	Griffin	Matthews
Cahill	Griffiths	May
Cameron	Gross	Meador
Carey	Grover	Michel
Casey	Gubser	Miller, Calif.
Cederberg	Gurney	Minish
Chamberlain	Hagan, Ga.	Minshall
Chelf	Hagen, Calif.	Monagan
Chenoweth	Haley	Montoya
Clancy	Hall	Moore
Clausen,	Halleck	Moorhead
Don H.	Halpern	Morgan
Clawson, Del.	Hanna	Morris
Cleveland	Hansen	Morrison
Cohelan	Harding	Morse
Collier	Hardy	Morton
Colmer	Harsha	Mosher
Conte	Harvey, Ind.	Moss
Cooley	Harvey, Mich.	Multer
Corbett	Hawkins	Murphy, Ill.
Corman	Hechler	Murphy, N.Y.
Cramer	Henderson	Murray
Cunningham	Herlong	Natcher
Curtin	Hoeven	Nedzi
Daddario	Hollifield	Nelsen
Dague	Horan	Nix
Daniels	Horton	O'Brien, N.Y.
Davis, Tenn.	Hosmer	O'Hara, Ill.
Dawson	Huddleston	O'Hara, Mich.

O'Konski	Rostenkowski	Taft
Olsen, Mont.	Roudebush	Talcott
Olson, Minn.	Roush	Teague, Calif.
O'Neill	Roybal	Teague, Tex.
Ostertag	Ryan, Mich.	Thomas
Patten	Ryan, N.Y.	Thompson, La.
Pelly	St. George	Thompson, N.J.
Pepper	St. Germain	Thompson, Tex.
Perkins	St. Onge	Thomson, Wis.
Pickle	Saylor	Tollefson
Plke	Schadeberg	Trimble
Pillion	Schenck	Tuck
Pirnie	Schnobell	Tupper
Poage	Schweiker	Tuten
Pool	Schwengel	Udall
Price	Scott	Ullman
Pucinski	Secrest	Van Deerlin
Purcell	Selden	Vanik
Quile	Senner	Van Pelt
Quillen	Sheppard	Waggonner
Randall	Shipley	Wallhauser
Reid, Ill.	Short	Watts
Reid, N.Y.	Shriver	Weaver
Reifel	Sickles	Weltner
Reuss	Sikes	Westland
Rhodes, Ariz.	Siler	Whalley
Rich	Sisk	White
Rielman	Skubitz	Whitener
Rivers, Alaska	Slack	Whitten
Rivers, S.C.	Smith, Va.	Wickersham
Roberts, Ala.	Snyder	Widnall
Roberts, Tex.	Springer	Williams
Robison	Staebler	Wilson,
Rodino	Stafford	Charles H.
Rogers, Colo.	Steed	Winstead
Rogers, Fla.	Stevens	Wright
Rooney, N.Y.	Stinson	Wyman
Rooney, Pa.	Stratton	Young
Roosevelt	Stubblefield	Younger
Rosenthal	Sullivan	Zablocki

NAYS—0

NOT VOTING—85

Abbott	Finnegan	Mills
Alger	Fino	Norblad
Anderson	Frelinghuysen	Osmer
Arends	Gathings	Passman
Ashley	Harris	Patman
Ashmore	Harrison	Philbin
Auchincloss	Hays	Pilcher
Avery	Healey	Poff
Baker	Hébert	Powell
Barrett	Hoffman	Rains
Bass	Holland	Rhodes, Pa.
Becker	Jensen	Rogers, Tex.
Belcher	Johnson, Wis.	Rumsfeld
Bennett, Mich.	Jones, Mo.	Sibal
Berry	Karth	Smith, Calif.
Bolling	Kee	Smith, Iowa
Buckley	Kelly	Staggers
Celler	Kilburn	Taylor
Clark	Kirwan	Toll
Curtis	Lankford	Utt
Davis, Ga.	Lesinski	Vinson
Delaney	Lloyd	Watson
Dent	Long, Md.	Wharton
Denton	Macdonald	Willis
Derounian	MacGregor	Wilson, Bob
Diggs	Mailhard	Wilson, Ind.
Donohue	Martin, Nebr.	Wydler
Everett	Miller, N.Y.	
Evins	Milliken	

So the conference report was agreed to. The Clerk announced the following pairs:

Until further notice:

Mr. Hébert with Mr. Fino.
Mr. Karth with Mrs. Baker.
Mr. Barrett with Mr. Arends.
Mr. Hays with Mr. Harrison.
Mr. Philbin with Mr. Jensen.
Mr. Donohue with Mr. Auchincloss.
Mr. Macdonald with Mr. Poff.
Mr. Evins with Mr. Norblad.
Mr. Finnegan with Mr. Siball.
Mr. Rhodes of Pennsylvania with Mr. Osmer.
Mr. Rogers of Texas with Mr. MacGregor.
Mr. Willis with Mr. Bennett of Michigan.
Mr. Thompson of Louisiana with Mr. Derounian.
Mrs. Kelly with Mr. Frelinghuysen.
Mr. Long of Louisiana with Mr. Bob Wilson.
Mr. Clark with Mr. Alger.
Mr. Passman with Mr. Belcher.

Mr. Rains with Mr. Martin of Nebraska.
 Mr. Patman with Mr. Rumsfeld.
 Mr. Harris with Mr. Wydler.
 Mr. Vinson with Mr. Smith of California.
 Mr. Ashmore with Mr. Berry.
 Mr. Bass with Mr. Curtis.
 Mr. Davis of Georgia with Mr. Utt.
 Mr. Ashley with Mr. Wilson of Indiana.
 Mr. Delaney with Mr. Mailliard.
 Mr. Dent with Mr. Wharton.
 Mr. Abbitt with Mr. Kilburn.
 Mr. Denton with Mr. Hoffman.
 Mr. Kilwan with Mr. Becker.
 Mr. Johnson of Wisconsin with Mr. Miller
 of New York.
 Mr. Everett with Mr. Avery.
 Mr. Gathings with Mr. Milliken.
 Mr. Mills with Mr. Toll.
 Mr. Pilcher with Mr. Celler.
 Mr. Powell with Mr. Holland.
 Mr. Staggers with Mr. Lankford.
 Mr. Watson with Mr. Buckley.
 Mr. Smith of Iowa with Mrs. Kee.
 Mr. Lesinski with Mr. Diggs.
 Mr. Jones of Missouri with Mr. Healey.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I would like to explain briefly the changes in the House-passed language in S. 2 resulting from the agreements reached in the committee on conference. For the most part the House language prevailed. The House language was used as the basis for markup in the committee on conference and only four changes were made thereto.

The House-passed bill limited the life of the program under title I, which establishes State water resources research institutes, to 10 years in order that there might be a review of the program to determine whether it was providing the water research expected and whether modifications in the program were needed. The committee on conference agreed to authorizing a permanent program with the understanding that it would be reviewed periodically by the legislative committees. The statement of managers on the part of the House carries a direction to the Secretary of the Interior to keep the Congress fully informed with respect to the program.

The second change in House language involved the designation of institutions to receive grants. The Senate-passed bill would have permitted the designation of a land-grant college and one or more other institutions in each State to receive grants for the establishment of research institutes.

The House language provided for establishing water resources research institutes at only one college or university in each State, with such institute to be established at the land-grant college unless otherwise provided by an act of the State legislature. The committee on conference agreed with the House language limiting the number of institutes to not more than one in each State, but the language permitting the State legislature to designate some other institution in lieu of the land-grant college was changed somewhat to make it a little easier for the State legislature to assume this responsibility if it chose to do so. Under the language agreed upon the land-grant college would still

be designated automatically unless the State legislature acted to designate some other institution. Where there are two land-grant colleges in one State, the Governor, in the absence of a designation by the State legislature, could make the designation as between the two.

The third change in the House-approved language relates to the additional water resources research programs that would have been authorized under title II in the Senate-passed bill. In the Senate-passed bill these programs involve the appropriation of \$5 million in the first year, increasing to \$10 million in the sixth year and thereafter. The House-approved language deleted this title entirely.

The committee of conference agreed to retain the additional water resources research programs described in title II of the Senate-passed bill but to limit the amounts authorized to be appropriated to \$1 million a year for a period of 10 years, with the further provision that any proposed grant, contract, or other arrangement under the authority given in this title would have to be reported to the Congress for a 60-day review period and funds could be appropriated for implementation only if, during this review period, neither of the legislative committees disapproved.

The fourth change in the House-approved language relates to patents in connection with the research work authorized. The committee on conference accepted the Senate language providing that no part of the funds made available under the act could be expended for research work unless the expenditures were conditioned upon provisions which insure that all information, uses, products, processes, patents, and so forth, would be made fully and freely available to the public.

The committee on conference retained the language which the House added to the Senate-passed bill directing the establishment of some effective means for clarifying Federal agency responsibilities in water resources research and providing effective interagency coordination of such research. This provision in the House bill which goes to all water resources research within the Federal establishment was considered by our committee as one of the most important provisions in the bill. We believe it will result in substantial savings and will eliminate duplication of research effort.

Mr. SAYLOR. Mr. Speaker, I am glad to report to the House my satisfaction with S. 2 as it has emerged from the conference committee. The reasonableness with which the conferees approached their task and resolved the differences between the House and Senate versions of this bill is apparent in the results.

I am particularly pleased with two features of the bill as it will go to the President. First, in restoring a part of the bill that had been stricken, language was added which will make it possible for the Congress to exercise control over the carrying out of the program authorized in title II. Appropriations will not be made for any grant or contract under this title until the proposal has laid be-

fore the Committees on Interior and Insular Affairs of the House and Senate for 60 days, and either of these committees may disapprove the proposal if it finds reason to do so.

The second is the retention of the House-sponsored language relating to coordination of water resource research activities of the Federal agencies. We have altogether too many downtown agencies operating independently in this field. We want results and we need results from water research but we do not want a continuous scramble among the agencies—the Public Health Service, the Corps of Engineers, the Bureau of Reclamation, the Soil Conservation Service, the Fish and Wildlife Service, the Geological Survey, the Forest Service, the Weather Bureau, the National Science Foundation and a whole host of others—to outdo each other. We need to cover the whole field, to do so in a planful and systematic way, and to be sure that nothing is left undone that ought to be done and nothing done that ought not to be done. Above all we do not want wasteful duplication. Here is the nub of the problem. Section 305, I am glad to say, gives the President a tool to enforce order among the agencies. It gives him a power that must be used wisely and forcefully. If this is done, the benefits that will flow to the American people from S. 2 will be immeasurable and the pattern that is here set up for water research will be followed in other fields where similar problems exist.

Mr. PICKLE. Mr. Speaker, I rise to speak in favor of the conference report regarding S. 2. The conferees have worked hard on this matter, and I believe have come up with what is the best we could hope for under the circumstances. When this bill was originally discussed in the House, I objected because the language was so strict that it made any grant for a water resources project automatically to be designated for a land-grant college. This would have practically eliminated the possibility of the University of Texas, which has an excellent water resources project underway now, to have participated in these grants. This conference report does soften that language some and makes these grants available to "land-grant schools or some other institution designated by act of the legislature." It also provides that one school can cooperate with another school in the same State to carry out the purposes of the act.

Title II has been reinserted in this bill and this provides at least \$1 million per year for a total of 9 years wherein educational institutions—other than those establishing institutions under title I of this act—can undertake research into any aspect of water problems which may be related to the mission of the Department of Interior.

While this bill does not give those institutions other than land-grant schools throughout the country the exact language they want, I do believe it is a reasonable compromise. I can envision that Texas A & M University and the University of Texas, both excellent schools, can work together closely in this

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

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88th-2nd, No. 141

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HIGHLIGHTS: Senate passed poverty bill. House passed land-water conservation fund bill. Rep. Jones, Mo., objected to concurrence in Senate amendments to food stamp bill, and Rep. Gross objected to sending the bill to conference. Rep. Gross objected to sending pay bill to conference. Sen. Hartke said food prices are "cheaper." Sen. Williams, Del., criticized FHA loan policies. Reps. Nelsen and Findley urged investigation of suspected shipment of U.S. wheat to Cuba by Russia.

HOUSE

1. RECREATION. Passed with amendments H. R. 3846, to establish a land and water conservation fund to assist the State and Federal agencies in meeting present and future outdoor recreation demands and needs of the American people. pp 16265-303

Agreed to amendments as follows:

- By Rep. Morris, to make the bill effective Jan. 1, 1965. pp. 16265-6
- By Rep. Aspinall, to prevent more than 2 years' accumulation of funds. p. 16292
- By Rep. Gross, to prohibit issuance of free passes to Congressmen and Government

officials. p. 16299

Rejected amendments as follows:

- By Rep. Fuqua, to encourage development of existing facilities rather than acquisition of additional recreation lands, by a 42-59 vote. pp. 16266-74
- By Rep. White, to prohibit the charging of entrance fees; by a 57-86 vote. pp. 16277-92
- By Rep. Fallon, to eliminate title II, relating to transfers to and from the fund. pp. 16292-3
- By Rep. Cooley, to provide that "funds appropriated or allotted pursuant to this Act for use within the national forest system may be used for acquisition only as hereafter authorized by law and for recreational development," by an 88-88 vote. pp. 16293-8
- By Rep. Roberts, Tex., to delete provisions on surplus-property sale proceeds going to the fund. p. 16298
2. DUAL EMPLOYMENT. Agreed to various Senate amendments to H. R. 7381, to simplify, modernize, and consolidate the laws relating to employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the armed services. Disagreed to one amendment which would place certain ceilings on the amount of combined military retired pay and civilian compensation to be received by retired military personnel employed in civilian positions. pp. 16260-1, 16262
3. PAY; PERSONNEL. Rep. Gross objected to Rep. Murray's request to send to conference H. R. 11049, the Federal pay bill. p. 16262
4. FOREIGN TRADE. Rep. Nelsen inserted a statement by Veterans of Foreign Wars urging an immediate investigation of reports of Russia's sending U. S. wheat to Cuba. pp. 16306
- Rep. Nelsen inserted an article critical of the new wheat bill and urging that a more effective job be done for all concerned, "from farm to table." p. 16307
- Rep. Findley inserted his letter to the President urging him to halt further Communist trade credits pending investigation of suspected transshipment of wheat to Cuba by Russia. p. 16308
- Rep. Ashbrook inserted a letter from a radio operator indicative of Russia's transshipping of wheat to Cuba. p. 16321
5. POVERTY. Rep. Frelinghuysen criticized the poverty bill, stating that it "has been hastily drafted" and "not adequately considered" by the committees, and urged postponing its consideration until next year. pp. 16307-8
6. ELECTRIFICATION. Rep. Langen inserted his testimony before the Senate Commerce Committee favoring S. 2028, to amend the Federal Power Act so as to prohibit jurisdiction of the FPC over nonprofit cooperatives. p. 16308
7. FOOD STAMP PROGRAM. Rep. Jones objected to Rep. Cooley's request for concurrence in Senate amendments to H. R. 10222, the food stamp bill, and Rep. Gross objected to sending the bill to conference. pp. 16262-5
8. TREASURY-POST OFFICE AND EXECUTIVE OFFICE APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 10532, (H. Rept. 1576). pp. 16321-23
9. ADMINISTRATIVE LAW. The Judiciary Committee reported with amendment S. 1664, to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United

of the bill lends adequate protection to civilian employees and eliminates certain inequities in the hiring of retired military persons.

The Civil Service Commission advises that section 205 is unnecessarily restrictive and strongly endorses the elimination of this provision.

Senate amendment No. 2 is a technical conforming amendment required by the elimination of section 205. It would renumber present section 206 to section 205.

Senate amendment No. 3 adds a new section 206 which would place certain ceilings on the amount of combined military retired pay and civilian compensation to be received by retired military personnel employed in a Federal civilian position.

The section would prescribe two ceilings:

First. In cases where the military retiree is employed in a civilian office with compensation determined under the Classification Act of 1949, the combined military retired pay and civilian compensation could not exceed the top rate of the Classification Act of 1949, as amended.

Second. In cases where the civilian compensation is not determined under the Classification Act of 1949, the combined maximum rate could not exceed the rate of compensation received by the head of the department or agency.

The ceiling under the first rule measured by the top rate of the Classification Act would apply to retired members of any Regular component, but the ceiling under the second rule would apply to any retired member of any of the uniformed services.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HENDERSON. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. Is the provision written in an attempt to eliminate the so-called buddy system still retained in the bill?

Mr. HENDERSON. It definitely is. The gentleman well knows of my long interest in this. I have gone into this carefully. There have been no changes in this section as passed by the House.

Mr. GROSS. As far as I am concerned, this is one of the most important provisions of the bill and if it remains in it, I have no further questions concerning the conference report.

Mr. HENDERSON. I appreciate the gentleman's interest.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. HENDERSON. I am happy to yield to the distinguished gentleman from Texas.

Mr. BECKWORTH. I believe the so-called buddy system should be eliminated. Just yesterday a young man came to my office who works for one of the departments of the Government. He told me that for several weeks now a given agency has been looking for a grade 13 man. It was not announced that the officials of the department were looking for the man. As soon as they found him, they then announced that the position was open, and the an-

nouncement closes quickly. That means that, to all intents and purposes, most people who might be qualified for the position are denied the opportunity of even knowing about the vacancy. This is wrong.

I also want to add this. I have introduced as of December 10, 1963, H.R. 9407 a bill that would if it should become law require reasonable notice on all examinations, where practical, and then genuine written examinations, where practical. I feel that this bill will be opposed, because selfish bureaucrats do not want that kind of thing. There are some people in our Government and outside our Government who believe the bill would be good legislation. The summer jobs program for students evidences some great injustices. We passed twice a bill here to bring about more fairness. There has been so much opposition to the legislation that the legislation has received little consideration in the other body. I say to you, though, that if we mean business when we say that we want effective and able Federal employees, we ought to go the full length in making it known that jobs are available and give true, worthwhile competitive examinations instead of what is known as complying with civil service standards, which are quite different to a true written competitive examination.

Mr. HENDERSON. The gentleman from Texas is to be commended for his longtime interest in this field. He well knows the provisions of this bill are a vast improvement over what he have had. As the gentleman from Iowa indicated, the provisions of this bill will go a long way toward eliminating the buddy system, as we refer to it. In the employment of retired former military personnel, this is a vast step forward in the improvement of the civil service employment procedures.

Mr. Speaker, I would like to conclude with the further explanation of the amendments of the Senate.

The Civil Service Commission strongly objects to this amendment.

It would cause inequities and inconsistencies in the cases of those few retired members whose combined military retired pay and civilian compensation would be affected by these ceilings.

A retired regular member employed in the Department of Defense in a GS-18 Classification Act scientific position would have a salary reduced by the total amount of his retired pay; however, if he were employed to do exactly the same kind of work by the same agency under Public Law 313 which authorizes compensation to be fixed outside the Classification Act, the reduction in his salary would be insignificant, if any, because he could be paid as much as the Secretary of Defense—up to \$35,000 under the new salary bill as passed by the Senate, H.R. 11049.

If the same individual were a Retired Reserve member, he would have no reduction in salary in the GS-18 position, but he could be subject to a reduction if he were employed under Public Law 313.

The provisions of section 206 would encourage all kinds of artificial arrangements to avoid the adverse maximum of the limits on particular individuals and groups, as indicated above.

Amendments Nos. 4 to 9 relate to employment in the Senate, the House of Representatives, and the Architect of the Capitol. They are designed to continue the present employment policy of prohibiting any employee of those offices from receiving salary for more than one civilian office if the aggregate amount of basic compensation from such offices exceeds the sum of \$2,000 per annum.

Amendment No. 8 provides that the limitation on dual compensation for more than one civilian office under section 301 of the bill shall not apply to persons employed under Public Law 87-82, relating to employees of the Architect of the Capitol in the Senate restaurants, or to employees employed under section 208 of Public Law 812 of the 76th Congress, relating to employees of the Architect of the Capitol in the House of Representatives restaurant.

The present law referred to in amendment No. 9 (2 U.S.C. 66a) prohibits dual compensation if one of the positions is in the U.S. Senate; however, one person may be employed in more than one part-time position in the House of Representatives if the basic compensation does not exceed \$2,000 per annum.

Amendments Nos. 4 to 9 will retain the present dual employment rules, applicable to the employees of the Senate, the House of Representatives, and the Architect of the Capitol.

CALL OF THE HOUSE

Mr. SPRINGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 188]

Abbitt	Griffiths	Morrison
Alger	Hansen	Morton
Ashmore	Harris	Pilcher
Avery	Harvey, Mich.	Pool
Baring	Healey	Powell
Bass	Hébert	Pucinski
Bennett, Mich.	Hoffman	Purcell
Blatnik	Hollifield	Quie
Bolling	Hull	Randall
Brock	Jones, Ala.	Roberts, Ala.
Buckley	Kee	Roybal
Celler	Kilburn	Ryan, Mich.
Chelf	Kilgore	Senner
Davis, Tenn.	Knox	Skubitz
Diggs	Ladd	Thomas
Dingell	Lankford	Thompson, La.
Evens	Lipscomb	Toll
Fino	Long, La.	Wallhauser
Flynt	Martin, Mass.	Wickersham
Gibbons	Miller, N.Y.	Wilson, Bob
Gill	Moore	
Gray	Moorhead	

The SPEAKER. On this rollcall 369 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arlington, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 184. Joint resolution for the commemoration of the Honorable Herbert Hoover's 90th birthday, August 10, 1964.

EMPLOYMENT OF CIVILIANS IN MORE THAN ONE POSITION AND CIVILIAN EMPLOYMENT OF RETIRED MEMBERS OF THE UNIFORMED SERVICES

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina [Mr. HENDERSON].

The motion was agreed to.

A motion to reconsider was laid on the table.

GOVERNMENT EMPLOYEES SALARY REFORM ACT OF 1964

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11049) to adjust the rates of basic compensation of certain officers and employees in the Federal Government, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. ROOSEVELT. Mr. Speaker, reserving the right to object, this is the pay bill which was passed by this body and has now been passed by the other body.

I hope the Members of the House realize that in the version of the other body there is a provision which takes a direct slap at the members of the Supreme Court of the United States. This version would limit the raise of Supreme Court members to \$2,500 instead of \$7,500. I want to go on record as saying that no matter how anyone may feel about the actions of the Supreme Court in various instances, this is highly inappropriate. It certainly would be a severe blow to our whole system of government. We should, if we so desire, have the courage to take action on the basis of whatever we might want to do to review their decisions and take positive legislative action to do so. Certainly it is picayune, small, and unseemly to act as the other body proposes.

I hope that the conferees on our side, on the part of the House, will insist that the compensation of Justices of the Supreme Court be at the level at which passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

FOOD STAMP ACT OF 1964

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 5, strike out "economically needy" and insert: "low-income".

Page 2, lines 13 and 14, strike out "in economic need" and insert: "with low incomes".

Page 2, line 20, strike out all after "(b)" down to and including line 25 and insert: "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are imported."

Page 4, after line 20, insert:

"(b) In areas where a food stamp program is in effect, there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a national or other disaster as determined by the Secretary."

Page 4, line 21, strike out "(b)" and insert "(c)".

Page 5, strike out lines 4 to 16, inclusive, and insert:

"Sec. 5. (a) Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet."

"(b) In complying with the limitation on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such standards shall include maximum income limitations consistent with the income standards used by the State agency in administration of its federally aided public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary."

Page 6, line 17, after "a" insert "low-cost".

Page 11, line 8, after "required." insert "In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."

Page 11, after line 19, insert:

"(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary deposit into the separate account authorized by section 7 of this Act, a sum equal to the amount by which the value of any coupons issued as a result of such negligence or fraud exceeds the amount that was charged for such coupons under section 7(b) of this Act."

Page 17, lines 11 and 12, strike out "not in excess of \$25,000,000 for the fiscal year ending June 30, 1964;"

Page 17, line 16, after "1967" insert "; and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year".

Page 18, line 2, after "section." insert "If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth herein, the Secretary shall direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection."

Amend the title so as to read: "An act to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, I assume the gentleman from North Carolina will advise the House as to the nature and the import of the Senate amendments.

Mr. COOLEY. I might say to my friend that the only one that is of great importance is what is known as the Miller amendment dealing with imported meats. I had anticipated that some question would be propounded concerning that, and I would like to place this matter before the House now.

The language in the bill clearly indicates that we do not intend for food stamps to be used to buy imported meat. We definitely do not want to do anything which would adversely affect the livestock industry of this country.

Not even by legislative history do we want to indicate that food stamps could not be used to buy meat products produced domestically, but certainly we do not intend to require retailers to maintain a private reporting service to warn them that they may be allowing customers to use food stamps to buy imported beef which may be commingled with domestic meats in processed foods. I understand that some foreign meats are used in processed foods. A recent report of the Tariff Commission indicates that a small amount of imported meat is sometimes used in frankfurters, bologna, luncheon meat, and canned products, but that on an average 80 percent of the meat used in these food articles is American-produced meat.

The definition "food" in this legislation would require to the extent practical that if the retailer knew he was offering imported meat for sale, he could not sell such meat for food coupons.

He could sell no food product that is labeled as imported on the package for food stamps.

He could not, for example, sell any meat product that is identified as being imported when he bought it—such as carcass beef or frozen block beef—no matter whether he ground it for ham-

burgers or otherwise processed it before offering it for sale.

This is a safeguard for the domestic meat producer as well as the retailer. If a retailer has no provable means of knowing whether or not he is handling imported meat, then to protect himself from penalty he would refuse to sell for food stamps virtually all processed food containing meat. This would be a severe blow to the American cattlemen and injurious to the American meat industry, as well as a crippling strike at the whole food stamp program.

I will say to my friend from Iowa that I think that is about the only amendment which needs any explanation. Otherwise the other amendments are not of great importance.

Mr. HOEVEN. Mr. Speaker, further reserving the right to object, I want to make my position clear as far as the unanimous consent request of the gentleman from North Carolina is concerned.

Members will recall that the minority members of the Committee on Agriculture filed a unanimous minority report against the bill in the first instance. We also opposed passage of the bill. The House, however, passed the bill and it went over to the other body where certain amendments were attached to the bill. Now we are confronted with two alternatives. One is to send the bill to conference and the other is to concur in the Senate amendments. Personally, I fear sending the bill to conference would be an exercise in futility. I doubt very much whether I would sign any conference report. Most of the Senate amendments are clarifying amendments. Some of them are of more importance than others but none of the changes are of great import. The most important amendment in my judgment is the amendment which would prohibit the use of food stamps for foreign meat imports including meat products. I am somewhat fearful that if the bill goes to conference this important amendment may be eliminated. Hence, I think it is the better part of wisdom to agree to the Senate amendments. Therefore, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. JONES of Missouri. Mr. Speaker, reserving the right to object, I should like to ask the chairman of the committee a question or two. I was not here when he started his explanation of this bill. At the time the bill was before the House, on April 8, I offered an amendment which was adopted which would permit the use of surplus commodities. In looking over this bill it seems that the Senate took out that amendment. I want to call attention to the fact that if we discontinue the use of surplus commodities, which was going on in these communities—I think there were 41 of them—for instance, in the city of St. Louis, when they put the food stamp plan into effect, it cut out more than 60 percent of the people who were receiving food.

I should like to have some assurance from the chairman of this committee that we are not going to make impossible the distribution of surplus commodities and have people in dire need deprived of basic foodstuffs because we put in a food stamp plan to give foods in certain areas that were not basic necessities at all; that is, I want some statement from the chairman concerning this: I think it would be a mistake for us to adopt this bill and not give the conferees an opportunity to discuss and to inform the House that we are not going to deprive the poor people of this country of the use of these surplus commodities.

There were some 58,000 people in St. Louis who were being fed from surplus commodities and after the food stamp plan went into effect there were only 12,000 people. I want the chairman to explain that to me, if he will.

Mr. COOLEY. If the gentleman will turn to page 5, line 7, and read the language, he will see that what he has been talking about is taken care of. The author of the bill is from the city of St. Louis; that is the gentlewoman from Missouri [Mrs. SULLIVAN]. Certainly she is not trying to have legislation passed here which would deprive the constituents she represents of necessary foodstuffs. I suggest to the gentleman that he look at line 6 which says, "by a national or other disaster." How more comprehensive could you make the language than that? I think it is perfectly clear that the program would be in operation in the disaster areas, wherever they are, or wherever there is economic need.

Mr. JONES of Missouri. This language, in my opinion, is not clear enough because we say "by national or other disaster." It is not necessary to have a disaster for people to be hungry.

Mr. COOLEY. Hungry or not, if they establish eligibility under the program they would receive the food. I think the author of the bill would agree with me on that and I should be glad to yield to her if she wishes to give us an explanation. Is it not her understanding that they will get the food if they can establish eligibility?

Mrs. SULLIVAN. Definitely, that is the understanding that we had all along.

Mr. JONES of Missouri. Mr. Speaker, further reserving the right to object, I would like to ask the gentlelady from St. Louis if it is not a fact that there were some 58,000 people receiving surplus commodities in St. Louis and that 13 months after the food stamp plan went into effect there were less than 12,000 people receiving food under the food stamp plan?

Mrs. SULLIVAN. The gentleman is absolutely correct. I think I answered that during 2 days when we had this bill up in April and when the gentleman made the accusation.

Mr. JONES of Missouri. It was not an accusation; I was just pointing out the facts.

Mrs. SULLIVAN. It is true that there were many factors involved. I think we explained this before, that many people

who did not qualify were getting this food anyway.

The programs are for the needy under the rules and regulations set up. We intend to keep improving regulations in cooperation with the department so that more people who are eligible will participate.

Mr. JONES of Missouri. Mr. Speaker, further reserving the right to object, I would like to ask the gentlewoman from Missouri when I offered the amendment which would permit the use of surplus foods to be distributed to needy people, whether she opposed and spoke in opposition to my amendment at that time.

Mrs. SULLIVAN. If the gentleman will yield, I did not offer an objection. We were concerned about this situation and it was passed in the House and it was taken out in the Senate.

Mr. JONES of Missouri. Well, I do not think we have had the proper consideration of the bill, especially with reference to this amendment.

Mr. COOLEY. If the gentleman will yield further, I tried to explain that. If the gentleman will read the language as contained in the bill and the report, the gentleman will see that we have the same provision.

Mr. JONES of Missouri. I am reading what it says here:

In areas where a food stamp program is in effect, there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a national or other disaster as determined by the Secretary.

Mr. Speaker, I do not think we have had proper consideration of the bill, particularly with reference to this amendment.

Mr. COOLEY. We are not going to prevent food going to needy people, and I believe we assure that.

Mr. JONES of Missouri. No, we do not. It is not at all required. I am talking about what is now in the bill which the Senate considered. That is practically the same language which I took out of the bill in the House.

Mr. COOLEY. Does the gentleman advocate having two programs operating at the same time?

Mr. JONES of Missouri. I am advocating the use of surplus food to feed hungry people. I am advocating the use of the products of agriculture by people, who because of their economic status are hungry and are ill, to have the use of this food so long as we have these surpluses. This would prohibit it.

Mr. COOLEY. Do you want direct relief in the distribution of food at the same time the food stamp program is operating in a given area?

Mr. JONES of Missouri. I want direct distribution of surplus commodities when it is shown those surplus commodities are needed. The Director of Welfare of the State of Missouri told me—and I have great confidence in him, he has had this position for many years under many administrations—if we take away the direct distribution of surplus commodities many people in the area I represent, as well as people in St. Louis,

are going to go hungry while we still have surplus commodities which could be used to alleviate this hunger.

Mr. COOLEY. Why would they go hungry under this food stamp plan?

Mr. JONES of Missouri. I will tell the gentleman why. Under the food stamp plan there is a requirement they buy a minimum number of stamps. The budgets of some of these families, paying their rent, their utilities and other things like that, they do not have the minimum amount for which to buy food stamps, which is a prerequisite to getting the free stamps.

Mr. COOLEY. There is nothing in this law that requires any county to adopt this food stamp program, and they cannot have it unless they ask for it. The gentleman takes a position that is absolutely incompatible with the purpose of this bill.

Mr. JONES of Missouri. No, I am not.

Mr. COOLEY. Does the gentleman believe we could force the stamp program into a community that does not want it?

Mr. JONES of Missouri. The county courts of many of my counties in Missouri are operating with great difficulty, with limited budgets. If they felt they would be relieved of the expense of distributing food they would be inclined to give that up because the food stamp plan would not impose any financial burden on the county. Then the people who need the food would be the ones to go hungry.

Mr. COOLEY. Do you want to force the county to continue or to go into direct distribution?

Mr. JONES of Missouri. No, not to force them, but I want the commodities to be used when we have them, and when there are people who are hungry.

Mr. COOLEY. That is exactly the purpose of the program. The purpose of this legislation is to provide food for hungry people, not to force it on any county, community, or any person.

Mr. JONES of Missouri. If the gentleman will bear with me, and further reserving the right to object, I think what we have done here is not proper. The House is being asked to accept a bill which is different from the bill that we passed here in the House. We adopted this amendment in the House with the approval and consent of the gentleman from Missouri, and with the consent of the chairman of the Committee on Agriculture, and I had every reason to believe these surplus commodities were going to be made available to people who were hungry and who did not have the small amount of money to buy the minimum requirement of food stamps.

If you pass this bill like it is you are going to have a lot of people in this Nation going hungry when we still have surplus agricultural commodities. My apprehension about the food stamp bill was because it did not require, first, utilization of the surplus commodities. That is the thing that needs to be done first, use up all of the surplus commodities.

Mr. COOLEY. If the Members of the other body would accept your exact lan-

guage, this would not modify the program and not change it. With or without this language you have the same purpose and you accomplish the same thing.

Mr. JONES of Missouri. This amendment they put on there just restores the language of the bill that we took out in the House. I think we should utilize first our surplus commodities. That is what I was trying to have done.

Mr. COOLEY. It says that in any area where a food stamp program is in effect there shall be no direct distribution of Federal food.

Is that not perfectly plain?

Mr. JONES of Missouri. That is right.

Mr. COOLEY. You do not have to have the food stamp plan in effect, you do not have to have direct distribution.

Mr. JONES of Missouri. There is so much temptation when a county court has a limited budget, and they are paying for this distribution.

Mrs. SULLIVAN. I would like to say to the gentleman from Missouri that this plan, as it passed the House, is not all I wanted it to be. There were many things I wanted to put in the bill, but I am willing to compromise to get the plan into being so that everyone who really wants it can have it. Your county does not have to accept the food stamp plan; it can stay under direct distribution just as it is now.

Mr. JONES of Missouri. I am not speaking for my county alone. I am speaking for the Nation. The director of welfare in the State of Missouri told me that unless we had an amendment similar to the one that was adopted by the House we would have people in Missouri going hungry while we still had surplus commodities available which could not be used.

Mrs. SULLIVAN. I think our own State welfare department is being a little miserly in giving the funds necessary to go into the necessary investigation to certify these people. Just because the Missouri Welfare Department is not giving proper attention to certification of welfare cases and provide the assistance needed, I do not think we should deprive everybody else of this. No county or community has to have the stamp plan if it does not want it.

Mr. JONES of Missouri. If we take out the Senate amendment, lines 3 through 7, page 5, the Secretary of Agriculture would still have the authority to maintain a food distribution plan if he felt it was necessary or if some State was not giving enough money for the food stamp plan. It does not require direct distribution but it makes it possible. The Senate amendment prohibits it. That is what I am opposed to, prohibiting the distribution of surpluses which we have in great abundance, and which would alleviate suffering and hunger for most people. I think we should reject this Senate amendment.

Mrs. SULLIVAN. I do not believe we are going to get the Senate to yield on this because, as I said, a community does not have to take the plan if they do not want to; but we should work toward getting better standards of eligibility in the regulations that are set up for these people who have so little money to spend

for these stamps. I think we are making progress.

Mr. JONES of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JONES of Missouri. What is the motion before the House at this time?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina to take the bill from the Speaker's desk and agree to the Senate amendments?

Mr. JONES of Missouri. I reserve the right to object, Mr. Speaker.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from North Carolina.

Mr. COOLEY. What I want to point out to the gentleman, I do not know whether or not it is clear to him but it is perfectly clear to the author of the bill and to the legislative committee that with this background and history I do not see how there could be any question about this amendment which seems to be disturbing to the gentleman from Missouri.

Mr. JONES of Missouri. It is very clear that the Senate put in the bill language which the House took out which would be a clear reflection on the history, that the Senate said there would be no distribution of food to households where there is a food stamp plan in effect.

Mr. COOLEY. How can the gentleman disagree with the Senate amendment when he told me he does not favor family distribution in the same place where you have a food stamp plan?

Mr. JONES of Missouri. No; I think it is necessary for people to receive the basic food commodities. I do not want to prohibit it. This amendment prohibits it. That is why I feel it is a mistake to bring this up this way. I feel we should have an opportunity to discuss this other than here on the floor. I do not see why conferees were not asked for.

Mr. COOLEY. Because nobody was disagreeing with it except the gentleman from Missouri. The gentleman said he was standing alone.

Mr. JONES of Missouri. I am not standing alone. There are people who voted against that amendment, who commented in their views at that time and who are still of the opinion that since we have surplus commodities there are a good many people that should have access to those commodities.

Mr. COOLEY. The gentleman is now delaying this despite the fact we explained to him what the language means.

Mr. JONES of Missouri. I beg to disagree with the gentleman. I know he is a learned lawyer, but I think I can read the English language.

Mr. COOLEY. The gentleman's interpretation does not agree with ours.

Mr. JONES of Missouri. Rather than take up further time, I am going to object.

The SPEAKER. Is there objection to the request?

Mr. JONES of Missouri. I object.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the House disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. JENSEN. Reserving the right to object, Mr. Speaker, may I ask this question of the chairman of the Committee on Agriculture [Mr. COOLEY]: Can the gentleman assure the House categorically that food stamps can be used to purchase meat as provided in this bill? Can I have his categorical assurance that that can be done?

Mr. COOLEY. Does the gentleman mean food stamps can be used to purchase meat?

Mr. JENSEN. Yes.

Mr. COOLEY. Certainly; of course.

Mr. JENSEN. Of every description?

Mr. COOLEY. You cannot use stamps to purchase meat that has been imported, but you can use it to purchase meat domestically produced. The very discussion indicates our desire to protect the livestock industry.

Mr. JENSEN. That includes beef, lamb, poultry, and others; is that right?

Mr. COOLEY. That is right.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. GROSS. I object, Mr. Speaker.

The SPEAKER. Does the gentleman from Iowa object to the bill going to conference?

Mr. GROSS. I object.

The SPEAKER. Objection is heard.

PRESIDENTIAL PROCLAMATION OF AUGUST 10, 1964—90TH BIRTHDAY OF HERBERT HOOVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 184) for the commemoration of the Honorable Herbert Hoover's 90th birthday, August 10, 1964.

The Clerk read the Senate joint resolution, as follows:

Whereas the Honorable Herbert Hoover, who has served his fellow man, his country, and the world with the greatest devotion, will be ninety years of age on August 10, 1964; and

Whereas this great leader has twice directed relief and rehabilitation programs for the stricken victims of World War I and World War II; and

Whereas he conceived, drafted, and served as Chairman of two Commissions on Organization of the Executive Branch of the Federal Government; and

Whereas he served this Nation, first, as the Secretary of Commerce, and, then, as the thirty-first President of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby extend the Honorable Herbert Hoover its felicitations on his birthday, its admiration for his achievements, and its gratitude for his selfless service to mankind.

SEC. 2. The President of the United States is hereby authorized to issue a proclamation giving official recognition to August 10,

1964, as the Honorable Herbert Hoover's ninetieth birthday.

SEC. 3. American flags are to be flown especially on that date over the Capitol and over the White House and then are to be conveyed to him in commemoration of his natal day.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and of course I certainly shall not object. I make this reservation only so that the record will show that this resolution which has come from the other body was introduced there concurrently by both the majority and the minority leaders. A similar resolution has been introduced here in the House of Representatives by my very good friend, the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT], and by me as minority leader. I trust that the resolution will be unanimously adopted.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman.

Mr. ALBERT. Mr. Speaker, I join with the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK], in wholeheartedly endorsing this resolution.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ALBERT]?

There was no objection.

The Senate joint resolution was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 795, 88th Congress, the Chair appoints as members of the Special Committee to Investigate Campaign Expenditures the following Members of the House: Mr. DAVIS, of Tennessee, chairman; Mr. JONES, of Alabama, Mr. O'BRIEN, of New York, Mr. DEVINE, of Ohio, and Mr. BROMWELL, of Iowa.

TO ESTABLISH A LAND AND WATER CONSERVATION FUND, AND FOR OTHER PURPOSES

Mr. MORRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3846) to establish a land and water conservation fund to assist the States and Federal agencies in meeting present and future outdoor recreation demands and needs of the American people, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3846, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 1 ending on line 8, page 20 of the committee amendment.

Are there any amendments to this section?

AMENDMENT OFFERED BY MR. MORRIS

Mr. MORRIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: Page 19, lines 16 and 17, strike out the present text and insert:

"SECTION 1. (a) CITATION; EFFECTIVE DATE.—This Act may be cited as the 'Land and Water Conservation Fund Act of 1965' and shall become effective on January 1, 1965."

(Mr. MORRIS asked and was given permission to revise and extend his remarks.)

Mr. MORRIS. Mr. Chairman, I certainly shall not take the 5 minutes.

The purpose of the amendment is self-explanatory.

The effective date of the act is to be January 1, 1965.

The reason for the amendment is that some of our colleagues have expressed some concern about how the act may be administered and about some of the provisions of the act. We do not believe it would be possible for the administration to promulgate rules and regulations for putting the act into effect prior to 1965. We wish to make certain that the department which will administer the law will have plenty of time to write the rules and regulations and to be sure that they are in conformity with the legislative history of this act. Therefore, we are making the effective date January 1, 1965.

There will be some amendments offered with respect to fees. There seems to be the greatest of apprehension by some of our colleagues that entrance fees are going to be placed on every lake and reservoir in this country. My colleagues, nothing could be further from the truth. That is not so. There is no intention of doing so. It could not be done under the terms of the act even if there were a desire to do so.

I wish to read to the Members again the things which must be done before any admission fees can be charged. They can be charged only when all these conditions are met.

First. The area must be specifically designated by the President, and notice must actually be posted on the land. First, the President must say that it should be done; next it is necessary to physically post the notice on the land.

Second. The area must be administered by a Federal agency—which excludes Federal land and water areas under lease to State and local governments. In other words, the recreation area must be administered by the Federal Government. Many of the Bureau of Reclamation lakes and reservoirs have been turned over, for administration of the recreation areas, to the States. When this is the case, there could not be an admission fee charged. There could not be.

Third. The area must be administered primarily for outdoor recreation.

Fourth. The area must contain recreation facilities or services which are provided at Federal expense.

I wish to reiterate once again that nothing in the bill requires that the fees be imposed. Even if all the aforesaid conditions are met, the language is only permissive.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to my good friend, the gentleman from Washington.

Mr. WESTLAND. I have some opposite views to those of the gentleman from New Mexico. I respect the gentleman's views.

On page 22 of the bill is the language:

Entrance and admission fees may be charged at land or water areas administered primarily for scenic, scientific, historical, cultural, recreational, or wilderness purposes.

For example, let me ask the gentleman this: I have within my district a 900,000-acre primitive area, a wilderness area. Could the gentleman tell me how in the world he could possibly post an area like this?

Mr. MORRIS. I do not think that you could, and I do not think that these fees would be imposed.

Mr. WESTLAND. You do not think so, and I hope it is not so, but the fact is that the bill gives permission to the Forest Service or a Federal agency to do it.

Mr. MORRIS. It gives permission for the President, as the first thing.

Mr. WESTLAND. That is correct.

Mr. MORRIS. Let us get that clear.

Mr. WESTLAND. It gives his permission to do it.

Mr. MORRIS. It is permissive. My good friend from Washington, may I read some guidelines that must be used in addition to all four of the conditions that must be also present before the imposition of fees?

Mr. WESTLAND. Where do they come from?

Mr. MORRIS. From the report submitted by the Committee on Interior and Insular Affairs. I think it is on page 22.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDSON. Mr. Chairman, I move to strike the requisite number of words.

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, I understand that the amendment before us alters the provisions of the bill to establish an effective date after the first of the year; that is, on January 1, 1965. Personally, I will not oppose that amendment, but I do want it clearly and thoroughly understood that while this will delay for a while the impact among the people of the United States of these fees, that it certainly is not going to keep chickens from coming home to roost in the primaries and in the general election of 1966.

I have always considered my good friend from New Mexico one of the most astute students of the science of politics

that I know and he has just won that title all over again, in my estimation, by proposing this particular amendment. I say that because, believe you me, if this Congress goes home when we conclude our work, as we all hope we will conclude it, in a few weeks, with the distinction of having begun the attack on poverty by starting to charge millions of Americans to enter recreational areas that they now enter free, there is going to be more than one chicken coming home to roost when the folks wake up and discover what has happened to them.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I will be glad to yield to the gentleman.

Mr. BELCHER. I think perhaps the gentleman from New Mexico has taken a lesson from the Committee on Agriculture which did not see fit to delay the effective date of the wheat bill until after the election. Therefore, I think from that experience they may have derived the reason for this amendment. However, the same effects will be there in the next election that would be present in this present election, because they will just have that much more time to pay the fees before the election rolls around. Is that not correct?

Mr. EDMONDSON. I think that is entirely right.

This one point needs to be made as clear as it is possible to make it between those of us who have serious misgivings about this bill in its present form and the equally and perhaps even more dedicated and eloquent people on the other side who are supporting this bill. There is no one that I know of on the Committee on Interior and Insular Affairs who is opposed to the basic idea of having a use fee, a user fee, for facilities that are provided by the Federal Government expressly for recreational use. If you build a campsite and you put in utilities and if you build a beach and bring bathhouses in there to permit the public to make use of such an area and you facilitate their use and enjoyment of it, these are facilities for which a use fee very clearly is in order, and violence is not done to any great tradition or principle. But if you open the door, as this bill does, with entrance and admission fees to the national forests and to the reservoirs no matter how carefully you try to hedge the conditions that are imposed, you are breaking a longstanding principle that we have had in the national parks. I pointed out yesterday that the national parks from the very first have been intended to meet an outdoor recreational requirement. The reservoirs constructed in this country and the national forests being preserved meet another imperative public need and recreation is an incidental element in connection with them.

Mr. Chairman, I hope that this particular amendment, for the sake of many of my colleagues, including myself, will be adopted. But I hope that when we get on down the road, the amendments that will make this bill such that many of us can live with it, amendments that will be offered on both sides, will be ac-

cepted in large part by the committee or adopted overwhelmingly by the members of this committee.

Mr. ASPINALL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, there has been a lot of heat generated here, but the intent of this amendment is clear. There is no spook behind this amendment. If my colleagues will refer to page 19 of the committee print, they will find that—

This Act may be cited as the "Land and Water Conservation Fund Act of 1963."

That is the present title of this bill. This is not as it should be, of course, because the year 1963 is gone. We changed it for the pure and simple reason of bringing it up to date. We also, by bringing the operation of this bill into effect on January 1, 1965, have made it possible for the administering agencies to do a good job of determining their rules and their regulations and setting up the procedures by which the provisions of the bill will be carried out. The congressional committees will have the time necessary to exercise their oversight over it, as they go through this period. That is all that is involved in this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: Page 20, immediately after line 8, insert the following:

"(c) Encouragement of Development as Opposed to Acquisition.—In order to encourage the development for outdoor recreational purposes of public land owned by the States, and public land owned by the Federal Government, on the date of enactment of this Act, the President shall prescribe such regulations as he deems appropriate to assure that, to the maximum extent practicable, funds made available under this Act shall be used for the development of such lands for recreational purposes before such funds are used for the acquisition of additional areas of land for future development for recreational purposes."

(Mr. FUQUA asked and was given permission to revise and extend his remarks.)

Mr. FUQUA. Mr. Chairman, first of all, I want to commend the Committee on Interior and Insular Affairs for this very worthwhile piece of legislation. As many Members of this House have expressed previously, I believe with a few corrective amendments this good bill can be made a much better bill.

Mr. Chairman, this legislation represents something which we have needed for a long time. We in Florida are particularly proud of this legislation, because as was mentioned yesterday, our State legislature has just adopted a \$50 million bond issue to further develop the recreational areas of the State of Florida.

However, Mr. Chairman, I feel that there is one matter which is involved here at which we should look. We should look at first things first.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

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HIGHLIGHTS: House concurred in Senate version of food-stamp bill. Meat-imports bill was sent to conference. House committee reported Public Law 480 bill. Senate concurred in House amendment to poverty bill. Senate debated foreign-aid authorization bill.

HOUSE

1. FOOD STAMPS. Concurred in the Senate amendments to H. R. 10222, to provide specific statutory authority for a food stamp plan. This bill will now be sent to the President. pp. 18325-8
2. MEAT IMPORTS. Voted to request a conference on H. R. 1839, the meat imports bill. House and Senate conferees were appointed. pp. 18311-25, 18452

3. PUBLIC LAW 480. The Agriculture Committee reported with amendment H. R. 12298, to extend the Agricultural Trade Development and Assistance Act (H. Rept. 1767). p. 18390
4. ALASKA CENTENNIAL. The Judiciary Committee reported without amendment S. 49, to provide for establishment of the Alaska Centennial Commission to study and report on the extent to which the U. S. should participate in the Alaska Centennial celebration in 1967 (H. Rept. 1733). p. 18389
5. EXPOSITIONS. The Foreign Affairs Committee reported without amendment H. J. Res. 952, authorizing the President to call upon the States and foreign countries to participate in the International Exposition for southern Calif. (H. Rept. 1737). p. 18390
The Foreign Affairs Committee reported with amendment H. R. 11707, to provide for U. S. participation in the Canadian Universal International Exposition (H. Rept. 1738). p. 18390
6. CROP INSURANCE. The Agriculture Committee reported without amendment S. 277, to authorize extension of crop insurance to 150 additional counties per year rather than 100, as now provided (H. Rept. 1740). p. 18390
7. SEED-SCREENING IMPORTS. The Agriculture Committee reported without amendment H. R. 3607, to amend the Federal Seed Act so as to limit the importation of seed screenings (H. Rept. 1742). p. 18390
8. ASC COMMITTEEMEN. The Agriculture Committee reported without amendment H. R. 9178, to limit terms and provide for staggered terms of ASC committeemen (H. Rept. 1743). p. 18390
9. WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendment H. R. 5118, to authorize the Whitestone Coulee unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. (H. Rept. 1747). p. 18390
The Rules Committee reported a resolution for consideration of H. R. 9752, to preserve jurisdiction over construction of hydroelectric projects on the Colo. River below Glen Canyon Dam. p. 18390
10. COMMUNITY DEVELOPMENT. The Agriculture Committee reported with amendment H. R. 5406, to authorize this Department to cooperate with States and other public agencies in planning for changes in the use of agricultural land in rapidly expanding urban areas and in other nonagricultural use areas (H. Rept. 1757). p. 18390
11. FARM LOANS; NATIONAL PARK. The Agriculture Committee reported with amendment H. R. 8290, to authorize addition of certain FHA-foreclosed lands to the Everglades National Park, Fla. (H. Rept. 1758). p. 18390
12. INFORMATION. The Rules Committee reported a resolution for consideration of H. R. 9586, to provide for establishment of a National Council on the Arts to assist in development of the arts, including photography and motion pictures. p. 18390
13. D. C. APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 10199 (H. Rept. 1732). pp. 18268-9
14. INDEPENDENT OFFICES APPROPRIATION BILL, 1965. House conferees were appointed on this bill, H. R. 11296. Senate conferees have already been appointed. p. 18271

Members. I introduced legislation in April of 1963 so there has been ample time for the Ways and Means Committee to have held hearings.

To some people who have expressed concern about the effect of this legislation on consumers, I would point out that the price of beef to the consumer has gone down very little even though beef imports are at an all-time high. The price to the producer has gone down a lot. I am a rancher myself. We sold our calves off our ranch 2 years ago for 32 cents a pound. We are probably going to sell them this year for 24 cents a pound. Western range calves are being contracted now at that price and lower. This is a price reduction of 25 percent to the cattle producer.

I just want to say a word or two about the agreement between livestock representatives and the members of the Committee on Ways and Means. As I understand it, in talking with the livestock organization representatives the people on the Committee on Ways and Means have properly pointed out some revisions that perhaps should be made in the bill passed by the Senate. If this is going to be a meaningful and effective beef import bill we want to be sure there are no loopholes or unworkable provisions.

With the assurances that have been given by the chairman of the Committee on Ways and Means that we will have a chance to vote on the Senate-passed bill if we cannot agree to the conference report when it comes back here, I think we can do no less now than accept these assurances and let this beef import legislation go to conference. If we do not agree with the conference report we will have a chance to vote on the question that I regret we are not going to be able to dispose of today. Time is running out for this session of Congress and I fear we are risking no action on beef legislation because of the limitation of time.

Mr. QUIE. Mr. Speaker, it is unfortunate that the producers of red meats have been given so little consideration this year. First the majority of the other body refused to add an amendment on beef imports to the wheat and cotton bill. Later they got on record as favoring cattlemen by voting for an amendment to a zoo bill, expecting that it will die in the House. Now when it seemed possible to accept the Senate amendments and send the bill immediately to the President, we find that the amendments are deficient and a conference is necessary to improve the bill.

The time is short for action. I hope the assurances given today will enable us to send an adequate bill to the President. It is for this reason that I support the rule and wish to associate myself with the remarks of my colleague the gentleman from North Dakota [Mr. SHORT], who has had a wealth of experience in the cattle business and for whom I have the greatest respect.

Mr. COLMER. Mr. Speaker, I yield the remaining time to the distinguished chairman of the Committee on Rules, the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, when this matter was brought before the Rules Committee on the Senate amendment I favored the rule to adopt the Senate amendment. I did so because I am very much interested in the distressing condition of the cattle market and I know something about it from personal experience. If I felt that bill would serve purpose, I would be voting this morning to vote down the previous question and adopt the Senate bill. I am convinced, however, since we held a meeting in the Rules Committee, that if we did do that the bill by reason of this national emergency clause could very probably make the bill totally ineffective from the very beginning. That is not what any of us wants to do, I am sure.

I have come to the conclusion that the best chance we have, and it is only a chance, I think everybody ought to understand that, is to send the matter to the Ways and Means Committee for a conference, with the assurances given us already by the chairman of that committee. I say it is a chance because we are, I think, endeavoring to adjourn here next week, and that gives you less than 10 days to get this thing through all the machinery that it has to go through both in the House and in the Senate. I do not know whether when it gets to the Senate you are ever going to get anything back over here or whether they are ever going to do anything at all. They may or they may not accept it. But I believe the way we are pursuing is the best one, in view of the very short time we have left. As I understood the gentleman from Arkansas, the chairman of the committee, we are assured that this conference report will come back to the House this week, so that we can be on the way to negotiations with the Senate.

Mr. MILLS. No, I had not said it would be possible to bring it back this week. What I said was this:

If the Senate succeeds, as I understand it intends to try, to appoint conferees today, after conferring with the distinguished Senator from the gentleman's State of Virginia, it was agreed we would go to conference at 2:30 tomorrow afternoon. Whether or not we could have the matter back to the House for consideration on Friday, I could not say. I would think it might at the outside possibly be Monday of the following week. Of course, we will try.

Mr. SMITH of Virginia. Can the gentleman give us any definite assurance now as to the latest date that this House will have an opportunity to act on this matter?

Mr. MILLS. I could not give you any definite assurance. There are too many imponderables and matters over which I have no control. We have to file a conference report first. It would be our intention to expedite the conference. Certainly, I am not going to take a whole lot of time trying to settle this in conference.

Mr. SMITH of Virginia. I am sure that you are not.

Mr. MILLS. What I said, as the gentleman will recall, is that we will try to bring something back from conference that will be constructive and helpful. We will bring something back that we can act on and we will do it as expeditiously as we can. I just do not want to say that we will have it back here and have a vote on it on Friday.

Mr. SMITH of Virginia. Or on any other day?

Mr. MILLS. I cannot say it will be Friday. The gentleman asked me if it would be this week.

Mr. SMITH of Virginia. Yes, now I ask the gentleman—what is the latest date?

Mr. MILLS. I told the gentleman that I thought the latest date would probably be Monday. We would be ready on Monday of next week. I do not intend to take 4 or 5 days in conference on this, I will tell the gentleman.

Mr. SMITH of Virginia. I know and I think the House ought to thoroughly understand the whole thing is not in the hands of the chairman of the Committee on Ways and Means.

Mr. MILLS. Absolutely, and I appreciate the gentleman pointing that out.

Mr. SMITH of Virginia. This thing is pretty vital to the cattle people of this Nation. I think we ought to be pretty sure that we are going to get to vote on the matter.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

All time has expired.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs. MILLS, KING of California, BOGGS, BYRNES of Wisconsin, and CURTIS.

FOOD STAMP ACT OF 1964

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 5, strike out "economically needy" and insert "low-income".

Page 2, lines 13 and 14, strike out "in economic need" and insert "with low incomes".

Page 2, line 20, strike out all after "(b)" down to and including line 25 and insert "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, those foods which

are identified on the package as being imported, and meat and meat products which are imported."

Page 4, after line 20, insert:

"(b) In areas where a food stamp program is in effect, there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a national or other disaster as determined by the Secretary."

Page 4, line 21, strike out "(b)" and insert "(c)".

Page 5, strike out lines 4 to 16, inclusive, and insert:

"Sec. 5. (a) Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet."

"(b) In complying with the limitation on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such standards shall include maximum income limitations consistent with the income standards used by the State agency in administration of its federally aided public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary."

Page 6, line 17, after "a" insert "low-cost".

Page 11, line 8, after "required." insert "In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."

Page 11, after line 19, insert:

"(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary deposit into the separate account authorized by section 7 of this Act, a sum equal to the amount by which the value of any coupons issued as a result of such negligence or fraud exceeds the amount that was charged for such coupons under section 7(b) of this Act."

Page 17, lines 11 and 12, strike out "not in excess of \$25,000,000 for the fiscal year ending June 30, 1964;"

Page 17, line 16, after "1967" insert "; and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year".

Page 18, line 2, after "section." insert "If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth herein, the Secretary shall direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection."

Amend the title so as to read: "An Act to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I simply want to point out that immediately following the debate and discussion on the previous resolution, here

comes a request that we concur in the Senate amendments on another bill which includes a watered down restriction on beef imports.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that I may extend my remarks on the Senate amendments to the bill, H.R. 10222, and that the author of the bill, the gentlewoman from Missouri [Mrs. SULLIVAN] be granted the same permission.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COOLEY. Mr. Speaker, H.R. 10222 is a long step forward in the Nation's war on poverty. It shares the blessings of our food abundance among our own people. It is my hope and expectation that the House will act finally on this legislation before nightfall and send it on to the President for his signature.

This bill improves, expands and makes permanent the food stamp program that now is operating successfully on a pilot and experimental basis in 43 areas in 22 States, covering some 380,000 persons.

There now are on file in the Department of Agriculture 234 requests for the program from other localities in many States.

The food stamp program, through the pilot operations, has proved to be the most effective method yet devised to insure that all Americans have the opportunity for an adequate diet.

For many years surplus commodities have been distributed by the Government directly to needy persons. The food stamp program operates through the regular food marketing system.

H.R. 10222 establishes a national policy that, in order to promote the general welfare, the Nation's abundance of food shall be utilized cooperatively by the States, the Federal Government, and local governmental units to be maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among economically needy households.

Moreover, through this legislation, the Congress finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundance and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food.

Therefore, H.R. 10222 will permit those households in economic need to receive a greater share of the Nation's food abundance.

Mr. Speaker, I share the concern of the gentleman from Missouri [Mr. JONES] about a situation in which there would be a food stamp plan in operation

in a community but where there might be in the same community, because of the exigencies of circumstances or some peculiarity of State law, a substantial number of families who, for part of the year, for example, might not be able to participate in the food stamp program or to obtain local relief. It would be unconscionable that the provisions of this law, which is designed to alleviate hunger, should operate to deprive persons in such circumstances from the benefits they would otherwise receive under the direct distribution program.

On the other hand, I believe it to be not only wasteful of public funds but highly undesirable from an administrative standpoint that there should be, under any ordinary circumstances, a food stamp program and direct distribution to households operating in the same community.

The fact that a household may have no income at all during portions of the year does not necessarily prevent that household from participating in the food stamp program. If there are circumstances in any community which would prevent many households from being eligible to participate in the stamp program for a temporary period, it seems to me that this could qualify such an area under the "emergency situation" provision of the Senate bill and that the Secretary of Agriculture would be permitted by the language of the Senate bill to institute a direct distribution program of such scope and for such period of time as he might determine necessary to take care of these families.

I have discussed this matter with the Secretary of Agriculture and he informs me that this is the manner in which he believes the language should be construed if the bill is enacted as amended.

Mrs. SULLIVAN. Mr. Speaker, the enactment of H.R. 10222 will go a long way toward outlawing hunger in the United States. More than that, it will assure adequate, nutritious, appetizing diets for millions of Americans, including those now living almost entirely on powdered milk, powdered eggs, dried beans, cornmeal, flour, and other surplus food items.

I introduced my first bill on this subject more than 10 years ago. During all of the Eisenhower administration, this legislation was bitterly opposed in the executive department. Even after Congress enacted my original bill on a 2-year trial basis in 1959 as part of Public Law 430, the previous administration refused even to try it. Now we have an administration which wants to use the food stamp program on a national basis, after having had the political courage to try the idea for 3 years on an experimental basis.

Mr. Speaker, as we finally conclude legislative action on this bill after so many crises in its progress, I want to thank some people by name for their efforts on behalf of this idea. First of all, I want to thank you, Mr. Speaker. Both as Speaker and as former majority leader, you worked long and hard and effectively over the years to help me to have this legislation considered and

eventually enacted. The present majority leader [Mr. ALBERT]; the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]; the gentleman from Texas [Mr. POAGE]; the gentleman from Pennsylvania [Mr. SAYLOR]—the only member of his party to vote for the food stamp bill the first time I called it up for a House vote back in 1957, and a strong supporter of the idea ever since—these men deserve special thanks for their leadership on this issue. Senators Humphrey, Douglas, Aiken, Ellender, Symington, and Long, and the late President Kennedy when he served in the Senate, and my former colleague from Misosuri, the late Senator Thomas Hennings, all worked hard for enactment of a food stamp method of distributing additional food to the needy.

As a result of his work in the Senate on my food stamp bill in 1959, John F. Kennedy later had a clear understanding when he became President, of the value of this kind of approach to the contradiction of vast food surpluses and many hungry Americans. His very first Executive order, in January 1961, called for a substantial increase in the types and varieties of food to be distributed to the needy under the direct distribution program.

LETTER TO PRESIDENT JOHN F. KENNEDY

Mr. Speaker, under unanimous consent, I include as part of my remarks the letter I sent to President Kennedy on January 23, 1961, and the response from Larry O'Brien, as follows:

CONGRESS OF THE UNITED STATES,

HOUSE OF REPRESENTATIVES,

Washington, D.C., January 23, 1961.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Your first Executive order as President, directing an immediate increase in the types and quantities of surplus food to be distributed to needy persons in areas of chronic labor surplus, provided dramatic evidence to the people of this country—and particularly to the needy—of your resolve to carry out as promptly as possible the 1960 platform pledges of our party as reiterated by you in your campaign. The surplus food distribution program as previously carried out has been heartbreakingly unsatisfactory when compared to the need and to the vast stores of food suitable and available for distribution to the needy.

Increasing the foodstuffs to be given to the needy in areas where local authorities are participating in the distribution program will be of substantial help to thousands of families. Also, it is a step which your administration is able to take without extensive preliminary arrangements. May I respectfully call your attention now to the logical next step—as promised in our platform—placing into effect the food stamp plan authorized by Congress in 1959 but never implemented by the Eisenhower administration?

Distribution of food commodities in surplus through the regular grocery stores will make possible a vast expansion in the utilization of surplus food items. For instance, such items as surplus fresh eggs and milk rather than in powdered form, and such items as fresh or frozen chicken, beef, lamb and pork, fresh or frozen fruits and vegetables could all be distributed efficiently and effectively if the food stamp plan is put into effect.

Furthermore, the greatest single limiting factor in preventing the most effective distribution of surplus food items to the needy—the disproportionately high costs to local authorities in financing the storage, handling and direct distribution—would be eliminated, thus making it possible for these nutritious foods to be distributed to provably needy persons everywhere in the United States, not merely in those areas where chronic unemployment is of such vast proportions as to force local authorities to spend funds they often cannot afford for the direct distribution.

In my city of St. Louis, for instance, our officials recently decided they could no longer afford the high municipal cost of distribution, yet our needy—those on various forms of public assistance and those who cannot qualify technically for assistance despite the need because there are employable persons in the family—such family groups are very much in need of the better diets which could be made available for them by a good surplus distribution program under the food stamp law. A hungry person anywhere in America is just as hungry for not living in a depressed area, and just as much entitled to help.

I am enclosing a copy of the report of the House Committee on Agriculture in 1959 on my food stamp bill at the time it was reported out for House action. From this, you will note that the food stamp law envisions the distribution not only of the few storable commodities in actual Government ownership, but of any and all types of surplus foods removable from the market under section 32 or other support programs.

In refusing to put this law into effect—or to use the same authority contained in section 32 which the Roosevelt administration used to establish a different food stamp plan—the previous administration has maintained that the foods to be distributed under a food stamp plan would merely be the same ones now being distributed—those in actual Government ownership. This is not correct.

Under my bill as written into law, and as outlined in the report of the House committee which I am enclosing, the Government can work out many different arrangements with the food industry for exchange of stocks, etc., just as it does now for processing of surplus items for direct distribution. But in using the regular stores (those which wish to participate) we can distribute fresh and frozen rather than just dry or dehydrated items, and we can quickly build up nutritional standards of 7 million or more Americans not now able to afford a decent minimum diet, no matter where they live.

I, therefore, urge that you direct your Department of Agriculture to set in motion the necessary arrangements to bring the food stamp plan into operation. The present permissive law runs until 1962.

Respectfully yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN,
Member of Congress.

THE WHITE HOUSE,

Washington, D.C., February 17, 1961.

HON. LEONOR K. SULLIVAN,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: The President has asked me to reply to your letter of January 23 on surplus food donations and stamp plans and also to see that your comments and suggestions were brought to the attention of Secretary Freeman. This has been done.

In his economic message to the Congress on February 2, the President reported that he had instructed the Secretary of Agriculture to establish pilot food stamp programs in six localities with high levels of unemployment. In line with your own sponsorship of the 1959 food stamp legislation, the purpose of the pilot operations would be to

test the effectiveness of various types of stamp programs as a means of making it possible for more needy families to obtain more nearly adequate diets.

The Department of Agriculture is proceeding to work out the detailed plan of operation for these pilot programs. I know that you realize the many alternatives that must be investigated in the development of such a program and the need to consult with welfare and food trade groups.

We want to thank you for your most interesting and constructive suggestions in this total effort to make fuller use of our agricultural abundances.

Sincerely yours,

LAWRENCE F. O'BRIEN,

Special Assistant to the President.

STRONG SUPPORT FROM PRESIDENT JOHNSON

Mr. Speaker, the pilot-plan approach, begun originally in six areas, was later extended to 40 counties and to the cities of Detroit, St. Louis, and Pittsburgh. On balance, it has been a tremendous success, even though, as a new program of Government, involving a great deal of Federal-State-local coordination and cooperation, it has run into many administrative problems which have had to be solved. But they are being solved, and those who participate in this program have strongly endorsed it as a vast improvement over the direct distribution system.

President Johnson put the full weight of his office, and of his tremendous powers of persuasion, behind this legislation, and its final passage in the Congress today is largely a tribute to his powerful leadership. Secretary Freeman has never wavered in his effective support of this idea—in contrast to his predecessor who said it could not work, this Secretary of Agriculture made it work. Ken Birkhead, special assistant to the Secretary of Agriculture, who recently received the Department's top award for distinguished service, earned that award at least in part for the outstanding work he did in making sure Members of Congress had the full and correct facts on this legislation.

Mr. Speaker, there are undoubtedly many others—Members of Congress, congressional staff people such as Charles B. Holstein, John Heimbarger, of the Agriculture Committee, and others—who deserve thanks and appreciation for their long and hard work on this legislation. Congresswomen MARTHA GRIFFITHS, EDNA KELLY, ELIZABETH KEE, and EDITH GREEN should certainly be mentioned for the help and encouragement they gave me over the years—and there are many, many others who also helped.

I am truly grateful to all who supported me on this. To all of them, I say thank you. And the people of this country will thank you, too—particularly those who will have the opportunity under this legislation to enjoy for the first time a really decent, attractive, diet in the American tradition.

(Mr. HOEVEN asked and was given permission to extend his remarks at this point.)

Mr. HOEVEN. Mr. Speaker, I want to make it clear at this point in the Record that I do not support H.R. 10222, the bill to establish a nationwide food stamp program.

In my opinion this is bad legislation. It will decrease domestic outlets for our agricultural surpluses, it will deny many needy people the opportunity to acquire surplus food, it will be a very expensive and inefficient welfare program for the taxpayer to assume, and it will further erode the rights and responsibilities of State and local governments.

The record to this point shows that this legislation has been approved over the unanimous objection of the Republican members of the Committee on Agriculture set forth in the minority report on H.R. 10222—House Report 1228—88th Congress. The record also shows that it was passed through the House on April 8, 1964 as a "package deal" with the cotton-wheat bill in spite of overwhelming opposition by House Republicans.

This is a new and massive program which clearly shows the basic differences in Government philosophy between the Johnson administration and the mainstream of Republican thought. I am indeed sorry that the administration has prevailed and that this bill will now become law.

If any recourse were available to prevent its enactment, I can assure you I would pursue it. However, a conference with the other body would serve no useful purpose as all but one of the amendments adopted by the other body changed little of substance in the bill.

The only amendment of importance adopted by the other body establishes the prohibition on the use of food stamps for imported meat and meat products. Since the administration opposes this amendment, it would surely be lost in a conference report.

Thus the choice today is not one between a good bill and a bad bill; rather it is a choice between the lesser of two evils, and under the circumstances I am not objecting to accepting the Senate amendments.

INCREASING THE RETIREMENT SALARIES OF CERTAIN RETIRED DISTRICT OF COLUMBIA JUDGES

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 12198) to amend section 11-1701 of the District of Columbia Code to increase the retirement salaries of certain retired judges, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11-1701 of the District of Columbia Code is amended by adding at the end thereof the following new subsection:

"(d) A judge of the District of Columbia Court of Appeals or the District of Columbia court of general sessions who has retired prior to the effective date of section 306 of the Federal Executive Salary Act of 1964 shall receive an increase in the retirement salary to which he is otherwise entitled under this section in the same percentage as the increase in salaries provided in sec-

tion 306(1)(2) and section 306(1)(3) of the Federal Executive Salary Act of 1964 for judges who are serving on the effective date of such section 306 on the District of Columbia Court of Appeals and the District of Columbia court of general sessions."

SEC. 2. The increases in retirement compensation authorized by the amendment made by the first section of this Act shall take effect on the first day of the first month which begins after the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. McMILLAN asked and was given permission to revise and extend his remarks.)

Mr. McMILLAN. Mr. Speaker, the purpose of the bill is to give retired judges of the District of Columbia Court of Appeals and of the District of Columbia Court of General Sessions, a raise in salary.

It is the opinion of your committee that such legislation is necessary and appropriate in order that the same salary ratio between active and retired District of Columbia judges under present law may be retained.

The 16 judges of the District of Columbia Court of General Sessions, and the 3 judges of the District of Columbia Court of Appeals are all included in the recently approved Federal Employees Salary Act of 1964—H.R. 11049, recently passed by the Congress. However, through inadvertence, no provision was included therein to cover the two retired judges—one in the court of appeals and one in the court of general sessions. Inasmuch as each of these judges has continued to perform active service in the two courts named, it is felt that in fairness and justice they should be entitled to a proportionate raise in their compensation.

MEMORANDUM RE JUDGES SALARIES

Only two Judges have retired from the local District of Columbia Court of Appeals and from the District of Columbia court of general sessions:

Judge George D. Neilson retired after 20 years service and as general sessions judge was receiving \$17,500. He receives \$11,841 retirement although serving full time on the bench—on which other active judges under the new pay bill will receive \$24,000—under this bill he would draw about \$16,000.

Former Chief Judge Nathan Cayton retired after 29 years service and was drawing \$18,500. He receives \$18,367 retirement. Under this bill he, too, would receive about \$24,000. He is also on active duty practically full time.

By the reported bill, those judges who have heretofore retired will have their salary computed under the same formula and at the new rate of compensation as will be the case with judges who may in the future retire under the 1964 Salary Act. In other words, there will be, and in the opinion of your committee there should be, no difference in the status of presently retired judges and judges who may retire in the future, at least insofar as such retirement occurs under the existing law.

BACKGROUND

The Consolidation Act—Public Law 512, 77th Congress, 2d session—approved April 1, 1942, provides—in section 11—for the retirement of judges after serving 20 years or more, with compensation in equal monthly installments in the sum equal to such proportion of the salary received by such judge on the date of such retirement that the total of his aggregate years of service bears to the total of 30 years.

Paragraph (b) of the same section provides that any judge receiving retirement salary may be called upon by the chief judge of either court to perform such judicial duties as may be requested of him for a period up to 90 days in any year.

The fact of the matter is, as stated, that both the retired judges have continued to perform active service, and one of them has given full time on the bench for the last 9 months, due to court vacancies, sickness, and vacations, and of course neither has received the compensation of a full-time judge even though he has worked full time. The reported bill would obviate such injustice.

GENERAL LEAVE TO EXTEND

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that, after passage of each District of Columbia Committee bill today, the subcommittee chairman and I, as committee chairman, may be permitted to insert remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

AMENDING THE DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT OF 1947 AND THE DISTRICT OF COLUMBIA BUSINESS CORPORATION ACT WITH RESPECT TO CERTAIN FOREIGN CORPORATIONS

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 8407) to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VII of the District of Columbia Income and Franchise Tax Act of 1947, as amended (D.C. Code 47-1571 and the following), is amended by adding at the end thereof the following new section:

"SEC. 3. EXEMPT FOREIGN CORPORATIONS.—A foreign corporation authorized to invest in loans secured by real estate, which does not maintain any office or employees in the District of Columbia, shall not be subject to taxation under this article if the only activities of such foreign corporation in the



An Act

78 STAT. 703.

To strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Food Stamp Act of 1964".

The Food Stamp
Act of 1964.

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, and local governmental units to the maximum extent practicable to safeguard the health and well-being of the Nation's population and raise levels of nutrition among low-income households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households with low incomes to receive a greater share of the Nation's food abundance, is herein authorized.

DEFINITIONS

SEC. 3. As used in this Act—

- (a) The term "Secretary" means the Secretary of Agriculture.
- (b) The term "food" means any food or food product for human consumption except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are imported.
- (c) The term "coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this Act.
- (d) The term "coupon allotment" means the total value of coupons to be issued to a household during each month or other time period.
- (e) The term "household" shall mean a group of related or non-related individuals, who are not residents of an institution or boarding house, but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term "household" shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.
- (f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.
- (g) The term "wholesale food concern" means an establishment which sells food to retail food stores for resale to households.
- (h) The term "State agency" means the agency of the State government which has responsibility for the administration of the federally aided public assistance programs.
- (i) The term "bank" means member or nonmember banks of the Federal Reserve System.
- (j) The term "State" means the fifty States and the District of Columbia.

(k) The term "food stamp program" means any program promulgated pursuant to the provisions of this Act.

ESTABLISHMENT OF THE FOOD STAMP PROGRAM

SEC. 4. (a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of an appropriate State agency, eligible households within the State shall be provided with an opportunity more nearly to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than their normal expenditures for food. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

Distribution
during emergen-
cies.

(b) In areas where a food stamp program is in effect, there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a national or other disaster as determined by the Secretary.

(c) The Secretary shall issue such regulations, not inconsistent with this Act, as he deems necessary or appropriate for the effective and efficient administration of the food stamp program.

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

Standards.

(b) In complying with the limitation on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such standards shall include maximum income limitations consistent with the income standards used by the State agency in administration of its federally aided public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

ISSUANCE AND USE OF COUPONS

SEC. 6. (a) Coupons shall be printed in such denominations as may be determined to be necessary, and shall be issued only to households which have been duly certified as eligible to participate in the food stamp program.

Restriction.

(b) Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program at prices prevailing in such stores: *Provided*, That nothing in this Act shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores.

(c) Coupons issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose and define their denomination. The name of any public official shall not appear on such coupons.

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 7. (a) The face value of the coupon allotment which State agencies shall be authorized to issue to households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households with an opportunity more nearly to obtain a low-cost nutritionally adequate diet.

(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as is determined to be equivalent to their normal expenditures for food. Charges.

(c) The value of the coupon allotment provided to any eligible household which is in excess of the amount charged such households for such allotment shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs.

(d) Funds derived from the charges made for the coupon allotment shall be promptly deposited in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 8. (a) Regulations issued pursuant to this Act shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under the food stamp program and for the approval of those applicants whose participation will effectuate the purposes of the food stamp program. In determining the qualifications of applicants there shall be considered among such other factors as may be appropriate, the following: (1) the nature and extent of the retail or wholesale food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant retail food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval. Qualifications.

(b) Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. Regulations issued pursuant to this Act shall provide for safeguards which restrict the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(c) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the food stamp program may obtain a hearing on such refusal as provided in section 13 of this Act. Hearing.

Post, p. 707.

REDEMPTION OF COUPONS

SEC. 9. Regulations issued pursuant to this Act shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department.

ADMINISTRATION

SEC. 10. (a) All practicable efforts shall be made in the administration of the food stamp program to insure that participants use their increased food purchasing power to obtain those staple foods most needed in their diets, and particularly to encourage the continued use of those in abundant or surplus supply so as not to reduce the total consumption of surplus commodities which have been made available through direct distribution. In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted."

Federal and
State agencies,
cooperation.

State agency,
responsibility.

Records.

(b) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons: *Provided*, That the State agency may, subject to State law, delegate its responsibility in connection with the issuance of coupons to another agency of the State government. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations.

Discrimination,
prohibition.

(c) In the certification of applicant households for the food stamp program there shall be no discrimination against any household by reason of race, religious creed, national origin, or political beliefs.

Welfare grants.

(d) Participating States or participating political subdivisions thereof shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provisions of this Act or the regulations issued pursuant to this Act.

State plan of
operation, sub-
mission.

(e) The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may by regulation be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs; (3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; and (4) for the submission of such reports and other information as may from time to time be required. In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation.

Compliance.

(f) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply substantially with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, he shall inform such State agency of such failure and shall allow the State agency a

reasonable period of time for the correction of such failure. Upon the expiration of such period, the Secretary shall direct that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as satisfactory corrective action has been taken.

(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary deposit into the separate account authorized by section 7 of this Act, a sum equal to the amount by which the value of any coupons issued as a result of such negligence or fraud exceeds the amount that was charged for such coupons under section 7(b) of this Act.

Negligence or
fraud.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 11. Any approved retail food store or wholesale food concern may be disqualified from further participation in the food stamp program on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as may be determined in accordance with regulations issued pursuant to this Act. The action of disqualification shall be subject to review as provided in section 13 of this Act.

DETERMINATION AND DISPOSITION OF CLAIMS

SEC. 12. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 13. Whenever—

(a) an application of a retail food store or wholesale food concern to participate in the food stamp program is denied,

(b) a retail food store or a wholesale food concern is disqualified under the provisions of section 11 of this Act, or

(c) all or part of any claim of a retail food store or wholesale food concern is denied under the provisions of section 12 of this Act, notice of such administrative action shall be issued to the retail food store or wholesale food concern involved. Such notice shall be delivered by certified mail or personal service. If such store or concern is aggrieved by such action, it may, in accordance with regulations promulgated under this Act, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store or concern fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such a request is made by such store or concern, such information as may be submitted by the store or concern, as well as such other information as may be available, shall be reviewed by the person or persons designated, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect fifteen days after the date of the delivery or service of such final notice of determination. If the store or concern feels aggrieved by such final

determination he may obtain judicial review thereof by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business, or in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as he may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless an application to the court on not less than ten days' notice, and after hearing thereon and a showing of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

VIOLATIONS AND ENFORCEMENT

SEC. 14. (a) Notwithstanding any other provisions of this Act, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as he deems necessary or appropriate to protect the interests of the United States or to insure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

Fines or imprisonment.

(b) Whoever knowingly uses, transfers, acquires, or possesses coupons in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(d) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of title 18, United States Code, section 8.

62 Stat. 685.

COOPERATION WITH STATE AGENCIES

Costs.

SEC. 15. (a) Each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act. Except as provided for in subsection (b) of this section, such costs shall include, but shall not be limited to, the

certification of households; the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; and the issuance of such coupons to eligible households and the control and accounting therefor.

(b) The Secretary is authorized to cooperate with State agencies in the certification of households which are not receiving any type of public assistance so as to insure the effective certification of such households in accordance with the eligibility standards approved under the provisions of section 10 of this Act. Such cooperation shall include payments to State agencies for part of the cost they incur in the certification of such households. The amount of such payment to any one State agency shall be 50 per centum of the sum of: (1) the direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such postinterview field investigations as are necessary to certify the eligibility of such households; and of the immediate supervisor of such personnel, for such periods of time as they are employed in certifying the eligibility of such households; (2) travel and related costs incurred by such personnel in postinterview field investigations of such households; and (3) an amount not to exceed 25 per centum of the costs computed under (1) and (2) above.

Certification assistance.

Payments to State agencies.

APPROPRIATIONS

SEC. 16. (a) To carry out the provisions of this Act, there is hereby authorized to be appropriated not in excess of \$75,000,000 for the fiscal year ending June 30, 1965; not in excess of \$100,000,000 for the fiscal year ending June 30, 1966; and not in excess of \$200,000,000 for the fiscal year ending June 30, 1967; and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act.

(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section. If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth herein, the Secretary shall direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection.

Coupon value, limitation.

(c) If the Secretary determines that any of the funds in the separate account created under section 7(d) of this Act are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.

Ante, p. 705.

(d) Amounts expended under the authority of this Act shall not be considered amounts expended for the purpose of carrying out the agricultural price-support program and appropriations for the purposes of this Act shall be considered, for the purpose of budget presentations, to relate to the functions of the Government concerned with welfare.

Approved August 31, 1964.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 1228 (Comm. on Agriculture).

SENATE REPORT No. 1124 (Comm. on Agriculture & Forestry).

CONGRESSIONAL RECORD, Vol. 110 (1964):

Apr. 7: Considered in House.

Apr. 8: Considered and passed House.

June 30: Considered and passed Senate, amended.

July 23: Objection raised in House to motion to concur
in Senate amendments.

Aug. 11: House concurred in Senate amendments.

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
ON THE OCCASION OF THE SIGNING OF
THE FOOD STAMP ACT OF 1964
IN THE CABINET ROOM OF
THE WHITE HOUSE

I am proud to sign the Food Stamp Act of 1964 because it is a realistic and responsible step forward toward the fuller and wiser use of our agricultural abundance.

I believe the Food Stamp Act weds the best of the humanitarian instincts of the American people with the best of the free enterprise system. Instead of establishing a duplicate public system to distribute food surplus to the needy, this act permits us to use our highly efficient commercial food distribution system.

It is one of many sensible and needed steps we have taken to apply the power of America's new abundance to the task of building a better life for every American.

In 1961, President Kennedy's first executive order doubled the quantity and variety of foods to be distributed to the needy. Today nearly six million people enjoy a better share of our food abundance through this program and up to 15 different food items are available.

Likewise, this year we anticipate that 17 million children -- 3.2 million more than in 1960 -- will enjoy hot lunches in their schools, many of them for the first time. This is because of the sustained effort made to help our schools provide student lunches.

For three years we have conducted pilot operations for the food stamp program in both urban and rural areas. These tests have exceeded our best expectations. They have raised the diets of low income families substantially while strengthening markets for the farmer and immeasurably improving the volume of retail food sales.

As a permanent program, the Food Stamp Plan will be one of our most valuable weapons for the war on poverty.

It will enable low income families to increase their food expenditures, using their own dollars.

Our efforts to make better use of abundance are not limited to domestic programs. Hunger is a world wide challenge. Through the Food For Peace Program, we are sharing 17 percent more of our food with other peoples than in 1960. Our food abundance is being used constructively not only to combat hunger, but also to help other nations to control inflation, generate funds for financing development projects, and to help provide lunches for some 40 million school children throughout the developing world.

The support given the Food Stamp Plan illustrates the willingness of thoughtful Americans to find better uses for our food abundance. I wish to compliment those who have played a role in the passage of this legislation, including the distinguished chairmen of the House and Senate Committees on Agriculture, Senator Ellender and Representative Cooley.

MORE

Special tribute is also due Congresswoman Sullivan and Senator Aiken, both of whom have long supported a federal food stamp program.

Finally, I wish to convey personal note of thanks to all agencies of state and local governments and to those bankers, food retailers, and wholesalers, who have cooperated with the United States Department of Agriculture in this program during its three year pilot trial, and, finally, to the majority of the members of the House and Senate who made it possible for this bill to be on my desk tonight.

END

